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VOLUME LXV, NUMBER 19759 MONDAY, OCTOBER 27, 1997 • TISHREI 26, 5758 • 25 JAMAD THANI 1418 NIS 4.50 (Eilat NIS 3.85)

The New York Times
8-page supplement

Villeneuve wins Formula One crown
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The ugliness of the kitchen-sink drama
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Primakov: We aren't arming Iran

By JAY BUSHINSKY

Russian Foreign Minister Yevgeny Primakov denied yesterday that Moscow is helping Iran build a ballistic missile arsenal. Regardless of that statement and Prime Minister Benjamin Netanyahu's insistence that Israeli intelligence indicates to the contrary, the two governments say they intend to tighten their relations and work together toward Middle East peace.

With Netanyahu standing at his side at the end of a one-on-one session that went overtime, Primakov said, "Russia is not doing anything that would



Prime Minister Binyamin Netanyahu (left) welcomes Russian Foreign Minister Yevgeny Primakov to his office yesterday. (Isaac Harari)

Israel doesn't expect Russia to yield on Iran, Page 3

advance Iran toward possession of weapons of mass destruction." Declaring that Russia adheres to UN agreements against the proliferation of missile technology, Primakov said "neither technology nor materials of any kind that could be used in the manufacture of weapons of mass destruction" are being provided to Iran.

With regard to Lebanon, Primakov confirmed Russia's willingness to participate in the multinational commission monitoring violations of the Operation Grapes of Wrath cease-fire, but

ruled out the deployment of Russian troops in the security zone should Israel withdraw. In an earlier meeting with Foreign Minister David Levy, the Russian diplomat dismissed a

question about Moscow's involvement in the Iranian missile program as "baseless rumors." But the prime minister countered unequivocally, saying, "we

are not in agreement on the factual basis." In the final stage of the Netanyahu-Primakov meeting, OC Intelligence Branch Maj. Gen. Moshe Ya'alon entered the

Prime Minister's Office carrying an attaché case that presumably contained evidence of Iran's missile buildup.

See IRAN, Page 14

Late-night effort on conversion compromise

By HAIM SHAPIRO and LIAT COLLINS

Representatives of the Reform and Conservative movements seemed last night on the verge of accepting a government proposal to delay submitting petitions to the High Court over registering their converts as Jews and seating representatives on religious councils.

Leaders from both movements held marathon conference calls late into the night with their US peers to decide whether to accept a government compromise.

The proposal calls for Reform and Conservative leaders to postpone their petitions in exchange for the government holding back Knesset bills demanded by religious parties that would essentially outlaw non-Orthodox conversions and exclude the non-Orthodox from religious councils.

Government proposals, as drawn up by the Neeman Committee, also

call for setting up a central institute to which conversion candidates from all religious streams would be sent. Final conversions would be

A guide to the perplexed, Page 3

carried out by an Orthodox rabbinical court. The guidelines also provide for Reform and Conservative rabbis to conduct recognized marriages in Israel in the presence of two witnesses from the Chief Rabbinate. Reform and Conservative leaders said a factor toward accepting the compromise was the presence of more moderate rabbis of the religious kibbutz movement at the Neeman Committee meeting last night.

See EFFORT, Page 2

Levy-Abbas talks in Washington postponed

By JAY BUSHINSKY and STEVE RODAN

Foreign Minister David Levy confirmed yesterday that the US-sponsored talks in Washington that were to include him and the Palestinian Authority's Mahmoud Abbas, will have to be put off. They were due to begin Wednesday.

"For me to travel there has to be a thorough discussion with the prime minister and the cabinet," Levy said, answering questions put to him after he met his Russian counterpart, Yevgeny Primakov.

The purpose of these meetings would be to produce guidelines for negotiation and "parameters" on such issues as further redeployment and curtailment of settlement activity. Levy is insisting that he be given a mandate to allow for Israeli concessions.

Levy will meet with Prime Minister Benjamin Netanyahu today, and according to the

foreign minister, the cabinet session will be held on Wednesday. This would make it impossible for Levy to be in Washington before the end of the week.

Palestinian sources contend the State Department has had second thoughts about hosting the projected Israeli-Palestinian meeting because of persistent doubts that it will produce positive results.

The fact that Secretary of State Madeleine Albright - who is to participate in the talks - is due to attend the World Economic Forum in Qatar on November 5 may prevent her from hosting Levy and Abbas until well after that event.

PA officials said until the Israelis clarify their position and Levy's participation in the meeting is assured, Palestinian negotiators will stay home.

"We might not go to Washington because Levy might not go to Washington," PA negotiator and Local Government Minister Saeb Erekat said. "Levy

said he doesn't have a mandate as such. If they want to take us for a ride to Washington, they'd better not do it."

Erekat said Levy's hesitation in leaving for Washington is proof that Netanyahu does not intend to negotiate seriously with the Palestinians.

"The honesty of Mr. Levy leaves no doubt that Mr. Netanyahu has no intention of implementing the interim steps," he said. "He enjoys the process of meetings without anything substantive."

The PA minister said he did not know how long the talks would be postponed. PA sources expect the talks could begin next week.

Other PA officials said so far no progress has been reported in the meetings of the nine committees formed to implement the interim accords signed earlier this year. The deadlock, the officials said, include talks over opening the airport and seaport in Gaza.

TASE slumps 3%

Shares were sharply lower yesterday, on the Tel Aviv Stock Exchange, in the first trading session since world markets went on the decline following the Hong Kong plunge.

"Basically it's looking very, very fragile," said Danielle Finn, head of sales at Ilanot Betucha.

The benchmark Mishkanim index of top shares fell 3.33 percent, or 10.34 points, to 299.82 on a turnover of NIS 256 million, against NIS 188m. on Tuesday, the last day of trading before Simhat Torah.

The Maof blue-chip index closed 3.03% lower, at 309.35. Full story, Page 10

Mubarak opens Nile-Sinai canal

CAIRO (Reuters) - Egyptian President Hosni Mubarak opened a new canal yesterday to carry Nile water beneath the Suez Canal to irrigate the arid Sinai peninsula.

He pushed a button to send water flooding through four Suez tunnels into the Sinai, where planners say it will eventually irrigate 2,480 sq. kms of desert and allow 1.5 million Nile Valley residents to resettle there.

The project, partly financed by Kuwait, cost more than \$1.62 billion.

Mubarak's government is pushing ambitious projects to water the desert from Egypt's lifeline, the Nile, and build new towns to relieve pressure on cities like Cairo, already bursting at the seams with around 16 million people.

Given the country's harsh demographic arithmetic, it has little choice. Egypt has more than 60 million people and now spends about \$3 billion a year on food imports to supplement what it can grow on the scant 5 percent of its

land that is cultivable. The population, double what it was 50 years ago, is set to double again in the next half-century.

"We are planning to increase the cultivated area by 1.36 million hectares by 2017," Hussein Atfy, undersecretary at the ministry of public works and water resources, said.

Earlier this year, Mubarak gave the go-ahead for work to start on the Toshka project in southwest Egypt near the Sudanese border. It calls for a canal to be dug from just upstream of the Aswan High Dam to irrigate 500,000 acres. The plan also provides for exploiting ground water from desert oases to enable another 500,000 acres to be farmed.

Work is already under way to carry Nile water to about 150,000 acres of desert in the northeast.

Experts say the government must be careful not to rush into too many large-scale projects without being sure that enough water is available from this limited resource.

THE HAIFA (04) YELLOW PAGES IN ENGLISH



The Haifa Yellow Pages Directory in English will shortly be sent free of charge, by mail, to all Jerusalem Post subscribers in the 04 dialing area. It will also be available at all news stands in that area, on October 31, 1997.

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NEWS

in brief

Temple Mount terrorist released

Alan Goodman, a US-born man who was serving a life sentence for killing two Arabs on the Temple Mount, was released yesterday from Ayalon Prison, after his sentence was reduced and he agreed to move back to the US. He was taken directly to Ben-Gurion Airport, where he boarded a US-bound flight.

Goodman, who holds dual citizenship, must spend the next eight years in the US before he can return, under a deal reached earlier this month between his lawyer and the parole board.

On April 11, 1982, Goodman opened fire on Arabs praying on the Temple Mount, killing two and wounding nine. *Itim*

Temple Mount activists arrested

Seven members of the right-wing group Hai Vekayam were arrested by Jerusalem police yesterday for attempting to enter the Temple Mount compound. The seven were prevented by the police from praying there, as a crowd of Arabs gathered around them. The seven were arrested after they refused a request by police to leave the area. *Eli Wohlgelegen*

Hanegbi seeks to change extradition law

Justice Minister Tzahi Hanegbi said yesterday that he plans to revise the extradition law which grants refuge in Israel to citizens accused of committing crimes abroad. At a briefing with legal affairs reporters, Hanegbi said that draft amendments have already been drawn up but weren't being introduced yet so as not to coincide with the current extradition case of a teenager wanted by Maryland as a murder suspect. *Batsheva Tsor*

Haredi suspect held in Bar-Ilan beating

A 55-year-old haredi man was arrested yesterday as a suspect in an assault on a couple from Pisgat Ze'ev as they drove down Bar-Ilan Street in Jerusalem on Saturday.

The man and woman were beaten while inside the car by a crowd of haredim, after they stopped to avoid running over a haredi man who tried to block their way. Both received medical treatment. Their identities were not released.

The suspect, who also was not identified, has admitted being linked to the assault, police said. They said that more arrests were expected. *Itim*

EU to send delegation to Middle East

European Union foreign ministers agreed yesterday to send a delegation to the Middle East early next month to lend support to US efforts to break a deadlock in peace negotiations there, headed by Luxembourg Foreign Minister Jacques Poos.

German Foreign Minister Klaus Kinkel, who last week met Palestinian Authority Chairman Yasser Arafat in Germany, called on Israel to end its policy of settling Jews in the West Bank and Gaza Strip, which the EU ministers agreed violated international law. *Reuters*

Symposium offers two views of Jerusalem

"The solution to Jerusalem is a simple, modified slogan borrowed from America," said MK Ze'ev Begin at a Jerusalem Foundation symposium held last night. "Jerusalem: One city, under God, indivisible, with liberty and justice for all."

Begin said the issue of Jerusalem is difficult, because of the false premise that most people believe all problems have solutions. "For now, Jerusalem is insoluble," he said.

His opponent at the symposium, entitled "Two Perspectives on the Future of Jerusalem," and chaired by Jerusalem Post president and publisher Norman Spector, was MK Yossi Beilin, who espoused a more optimistic view on the capital's future. *Eli Wohlgelegen*

Clinton to meet with Peres, Leah Rabin

US President Bill Clinton will meet with Shimon Peres and Leah Rabin next month.

An aide to Rabin confirmed yesterday that she and Peres will present Clinton with an award from their peace foundation on November 21.

Meanwhile, White House spokesman Mike McCurry denied that Clinton was refusing to meet Prime Minister Benjamin Netanyahu, who will be in the US in mid-November. *AP*

PM: No pullback without anti-terror guarantees

By JAY BUSHINSKY

Prime Minister Benjamin Netanyahu said yesterday that the government would object to handing over more land to Palestinian self-rule until it received guarantees that these areas wouldn't be used as terrorist bases.

Netanyahu also told the weekly cabinet session that while the Palestinian Authority has started to fight terrorism, "there has been a definite retreat" in several aspects of its operations.

The Prime Minister said a special cabinet session would be held Wednesday to discuss negotiations with the Palestinians before Foreign Minister David Levy's departure for talks he "may hold in Washington."

The element of doubt implicit in the cabinet communiqué prompted some Palestinian observers to doubt whether US Secretary of State Madeleine Albright would go ahead with plans to preside at a meeting between Levy and the PA's deputy chairman, Mahmoud Abbas.

"She does not want to sponsor a diplomatic failure," one of them said.

Turning to administrative matters, the cabinet approved the appointment of Acting Superintendent Yehuda Wilk as Inspector General of the police. Wilk will take up his new post on January 1.

Science and Technology Minister Michael Eitan proposed that the cabinet discuss data he submitted on incitement to violence and alleged calls for assassinating the prime minister.

Netanyahu responded by contending that there has been "a serious escalation in incitement by left elements in Israel" against the prime minister and the government.

"At issue are expressions which have no place in a proper democratic society," he said.

The cabinet communiqué did not give any examples of the alleged inflammatory language.

In other action, the cabinet: •Appointed Shmuel Herszkowitz as director of the National Road Safety Administration;

•Appointed Shmuel Einstein as director of the Rural Building and New Settlements Administration;

•Approved the Customs Cooperation Agreement between Israel and Turkey.



Defense Minister Yitzhak Mordechai leads OC Northern Command Maj.-Gen. Amiram Levine and other officers through a northern border post yesterday. (Avihu Shapiro/Israel Sun)

'Wakf' not building on Temple Mount

By ELI WOHLGELEGEN

A growing brouhaha over alleged building by the Wakf on the Temple Mount seemed to have quieted down yesterday, after Minister of Internal Affairs Avigdor Kahalani was quoted as saying that the government would not allow the building, and would order the use of force to prevent it.

The Wakf was reportedly planning to build a new guard post by the Mugrabi Gate, as well as a new floor over the area of Solomon's Stables.

"Nothing has been built, and nothing has been torn down," said a ministry source, who added that if the Wakf wanted to repair an existing building, that would be permitted.

"It's not a story, it's only been shouting on both sides," the source said.

Adnan Hussein, director of the Wakf (the Moslem religious trust),

accused interest groups with ulterior motives of misleading the government regarding the Wakf's intentions of building on the Temple Mount, and asked Kahalani to tone down his rhetoric.

"The statements I heard from the police minister were harsh and particularly unexpected," Hussein said on Israel Radio. "They very much affected the Moslems, because the minister of police should have shown more sensitivity and used milder expressions with regard to inaccurate information that was given to him."

Hussein denied any intention of building any new structures on the Temple Mount, but was just planning on renovating an existing building used by guards.

The whole issue became a story when a letter was leaked to the press from Antiquities Authority director Amir Drori to Attorney-General Elyakim Rubinstein, saying that the

new floor covering was both illegal and destructive, and that he recommended that it be forbidden to bring construction materials and workers to the Temple Mount.

The matter was brought up at the weekly cabinet meeting yesterday morning, when Minister of Absorption Yuli Edelstein asked Prime Minister Benjamin Netanyahu and Kahalani why the government had not done anything about the illegal building on the Temple Mount.

Edelstein quoted Drori's letter, and warned the government that if it did not take a clear stand on the matter it was liable to lead to extreme Jewish groups taking the law into their own hands.

Netanyahu then asked cabinet secretary Dan Naveh to collect information on the matter, and to update the government at a future cabinet meeting.

Committee's recommendations on the conversion bill. The MKs - Hanan Porat, Zvi Hendel, and Shmaryahu Ben-Tsur - spoke of a need to avoid creating a split in the Jewish world and to find a mutually acceptable solution which would avert the need to pass the conversion bill. Hendel called the committee's work "an historic opportunity to reach a compromise among all streams of Judaism."

Batsheva Tsor contributed to this report.

EFFORT

Continued from Page 1

Rabbinical authorities have previously rejected compromise, and were suggesting a compromise stance for the first time last night, the Reform and Conservative leaders said.

But their flexibility also followed some stepped-up pressure from Justice Minister Tzahi Hanegbi, who threatened yesterday to present the religious councils and conversion bills to the Knesset today, if the High Court petitions went ahead.

Leaders of The Third Way and Yisrael Ba'aliya parties, who had said in the past they would vote against religious legislation, also indicated yesterday they would vote for the bills if the non-Orthodox movements did not agree to the proposed freeze.

A top delegation of Reform rabbis from the US and elsewhere, led by Rabbi Amiel Hirsch, head of Arza, the Reform movement's Zionist arm in the US, arrived yesterday and met with Prime Minister Benjamin Netanyahu on the issue.

The rabbis told Netanyahu that passage of the Conversion Law, which would give the Chief Rabbinate the authority to validate all conversions carried out in Israel and would thus invalidate all non-Orthodox conversions done in Israel, would be a slap in the face to the American Jewish community, which largely identifies with the Reform and Conservative movements.

The rabbis said that Netanyahu told them the unity of the Jewish people is of utmost importance to him and that, just as he seeks diversity in economics, he wants diversity in Jewish expression.

However, Netanyahu also reportedly told the rabbis that he needs time to achieve this goal.

Rabbi Uri Regev, director of the Reform Movement's Israel Religious Action Committee, seemed less willing than others yesterday to accept the compromise. He said the delays in court action would serve the interests of the rabbinical establishment and the religious parties, which

have been fighting to prevent any changes that could endanger their monopoly on religious matters.

"The religious parties have always been willing to delay any action until the coming of the Messiah in order to preserve the status quo," Regev said.

Regev also said that converts who had petitioned the court would suffer as a result of the delays.

The first High Court hearing, scheduled for Wednesday, would hear a petition to seat Reform and Conservative representatives on the religious councils of Jerusalem, Tel Aviv, Haifa, and Kiryat Tivon. Since the Court has already ruled that a Reform representative could join the Netanya religious council, it was expected to make a similar ruling on Wednesday.

Next week, the High Court is due to receive the attorney-general's response to a petition calling for the registration as Jews of adopted infants converted by the Conservative Movement in Israel.

It was also due to rule on the case of a woman who studied in Israel and was then converted by a Liberal rabbinical court in London, and of two infants, adopted abroad, who were converted by the same rabbinical court before being brought to Israel. In all these cases the Interior Ministry has refused to register the converts as Jews.

Meanwhile, National Religious Party MKs were expected to meet this afternoon to discuss a proposal by three members to adopt the Neeman

IDF, SLA beat back Hizbullah attack

By DAVID RUDGE

IDF and South Lebanese Army soldiers yesterday repulsed what appears to have been an attempt by Hizbullah gunmen to try and overrun a position in the north-eastern sector of the security zone.

The foiled attempt follows a number of recent attacks in the same area by three or four Hizbullah squads.

One of the aims of the gunmen in the activities around the Soujoud outpost might have been to try and kidnap an IDF soldier, military sources reported.

A South Lebanese Army soldier was seriously wounded in the fighting, during which Hizbullah fired mortars, anti-tank missiles and machine guns at the post.

The attempt to approach the position, however, was thwarted by heavy return fire by IDF and SLA soldiers and gunners. Later, IAF warplanes struck at Hizbullah targets in the Soujoud region with the pilots reporting accurate hits.

Earlier, IAF jets raided Ahmed Jibril's PFLP-General Command base at Nuemeh, south of Beirut, for the fourth time in recent days. Reports from Lebanon said an activist who worked as a male

nurse for the organization was killed in the raid.

The IDF Spokesman said that in both raids the pilots reported accurate hits and that all the planes returned safely to their bases.

The air strike on the PFLP-GC base followed early morning bombardments by Hizbullah gunmen on over 15 IDF and SLA positions along the length of the security zone - from the coast to the foothills of Mt. Hermon.

There were no casualties in the long-range mortar and anti-tank missile attacks, which prompted heavy return fire from IDF and SLA gunners. The exchanges began around 6:30 a.m. and lasted for over two hours.

Defense Minister Yitzhak Mordechai, accompanied by Chief of Staff Lt.-Gen. Amnon Lipkin-Shahak visited a position on the northern border yesterday to receive first-hand reports of the situation in the security zone.

The visit is part of a general assessment that the security establishment is conducting this week of the overall situation in south Lebanon.

The assessment is carried out every six months but is likely to have more significance this time in light of the recent mishaps,

tragedies and high casualties suffered by the IDF. The IDF's methods of operation in the war against Hizbullah are expected to be discussed along with other tactical and strategic issues.

According to Channel 2 news, Shahak informed the cabinet yesterday that the IDF knows very little about the situation and has a serious intelligence problem in trying to penetrate Hizbullah.

Mordechai was briefed by OC Northern Command Maj.-Gen. Amiram Levine and senior officers. He maintained that despite the recent series of incidents, there was no overriding problem.

He said that all the incidents were being thoroughly investigated and lessons learned were being implemented. Mordechai stressed that the aim was to minimize casualties while increasing the IDF's ability to hit Hizbullah.

Mordechai denied recent reports of tension between himself and Shahak, saying they were working together to tackle the problems.

Levine revealed that the IDF on Friday thwarted concerted attacks by "three or four Hizbullah squads" whose primary aim was apparently to hit tanks and IDF troops "and perhaps even to try and kidnap a soldier."

Aide to Tirawi says lawyers can visit jail

By STEVE RODAN

A Palestinian Authority security official yesterday denied a reported ban on visits by attorneys to their clients in prisons operated by the PA General Intelligence Service.

"There is no ban and those attorneys who want to visit can," a senior aide to General Intelligence Service Chief Col. Tawfiq Tirawi said. "Of course, you have to ask for permission and give us several days notice."

He said that at no time did Tirawi halt such visits.

The aide said he was unfamiliar with the complaint made on Saturday by LAW, the Palestinian Society for the Protection of Human Rights and Environment. The Jerusalem-based group said Tirawi had told its director, Khader Shkirat,

that none of the attorneys could visit clients in the GIS prisons.

The senior aide stressed that the GIS does respond to requests from Eyal Sarraj's group, the Palestinian Independent Commission for Citizens' Rights, which is aligned with the PA. Sarraj's organization does not issue reports or make public its investigations into alleged violations.

A prominent human rights activist who did not want to be named said part of the problem stemmed from an intense rivalry between Palestinian human rights organizations, which receive financial support from abroad. The activist said the organizations do not cooperate and sometimes peddle misinformation as a way of highlighting their activity.

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Tantur Institute is at the corner of Harosmarin Street and Hebron Road, on the way to Gilo and just north of the Bethlehem checkpoint. Turn south on Hebron Road, right on to Harosmarin and left through the Tantur gate. Parking near auditorium. Bus 30 stops at the gate. Bus 31 stops nearby.

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Guide to a religious controversy

Intensive negotiations were underway last night to try and defuse both a coalition crisis and a crisis with segments of Diaspora Jewry over the conversion and religious council laws.

What follows is a brief guide to the perplexed.

The Religious Council Law
Prime Minister Benjamin Netanyahu pledged earlier this month, when faced with a threat by the religious parties, that the government would back a bill excluding Reform and Conservative representatives from the country's religious councils immediately after the winter session of the Knesset opened.

By passing this legislation, the religious parties hope to pre-empt a High Court decision that may force the religious councils to seat Reform and Conservative representatives in Tel Aviv, Kiryat Tivon, Jerusalem and Haifa. The High Court hearing on this matter is scheduled for Wednesday, which explains why the religious parties are eager to get the bill to the plenum as soon as possible.

In August the High Court ruled that Netanyahu must seat Joyce Brenner, a Reform representative, on its religious council. This ruling gave both the religious parties and the Reform and Conservative movements reason to believe that the court would also force the hand of the Jerusalem, Tel Aviv, Kiryat Tivon and Haifa councils.

The Conversion Law

The conversion law stipulates that all conversions in Israel be performed under Orthodox auspices. What this means practically is that non-Orthodox conversions performed in Israel would not be recognized. The passage of the law was anchored in the government's coalition guidelines.

Although the law was spelled out in the coalition agreement, the religious parties said they would not have pressed for passage of the law had not the Conservative and Reform movements petitioned the court to recognize their conversions in Israel. The religious parties fear that without legislation, the court will recognize the conversions.

The conversion law burst onto the country's agenda in a major way in June, as a June 30th hearing on a High Court petition regarding Reform and Conservative conversions was to be heard. A mini crisis ensued, defused by the creation of the Neeman committee, mandated to come up with a solution to the conversion dilemma acceptable to

all three streams of Judaism.

Neeman Committee

The Neeman committee is headed by Finance Minister Yacov Neeman and is made up of five representatives of the Orthodox camp, and one representative apiece from the Reform and Conservative movements. Under the terms of an agreement brokered by Likud MK Michael Eitan, the Reform and Conservative movements agreed to push off all their High Court petitions, and the religious parties agreed to freeze passage of the conversion law until the Neeman committee came up with a solution. The original deadline for the committee was August 15, but was extended twice. Last Friday was the most recent deadline.

The committee's proposals included a central conversion institute under the auspices of

BACKGROUND

By HERB KEINON

the Jewish Agency and run jointly by the three streams of Judaism. The converts would go there for classes, but the actual conversion ceremony would be done by the Orthodox representatives.

The committee also addressed the issue of Reform and Conservative marriages in Israel and developed a formula whereby those movement's rabbis could perform the marriages here if assisted by supervisors from the chief rabbinate.

The Religious parties

The 23-member religious lobby, made up of the representatives of Shas, the National Religious Party,

and United Torah Judaism, originally rejected the proposals out of hand. Shas MK Aryeh Deri called them "horrible," and NRP MK Shaul Yahalom said it would have been better had they not been proposed.

Since then, however, there has been some softening of positions, with three NRP MKs - Hanan Porat, Shmaryahu Ben-Tzur and Zvi Hendel - saying they would accept the proposals. The NRP is scheduled to hold a meeting on the issue today.

Reform and Conservative groups

The Reform and Conservative movements said they could accept the proposals, which extends to them a degree of legitimacy. An emergency delegation of Reform Rabbis from the US, headed by Amiel Hirsch, head of the American Reform Movement's Zionist organization, was sched-

uled to arrive last night for a 24-hour visit to meet with both Neeman and Netanyahu to fend off legislation.

The religious parties said they are willing to extend the mandate of the Neeman committee until the end of January. But Rabbi Uri Regev, director of the Reform movement's Israel Religious Action Center and a member of the Neeman Committee, said his movement would agree to an extension only if it seems likely that the Orthodox will compromise.

"They are interested in pushing this off until the time of the Messiah," he said, "but if there is no reason to believe there will be cooperation, there is no reason for us to push it off." Extending the committee's deadline would mean that the religious parties would once again freeze the legislation, and the liberal movements would temporarily withdraw their court petitions.



Members of the emergency delegation of US Reform rabbis arrive at Ben-Gurion Airport last night.

(Yael Somekh/Israel Sun)

Likud may drop bid to dump primaries

By SARAH HONIG

The betting in the Likud yesterday was that the party convention in a fortnight will not so much as take up the thorny primaries issue.

Ministers who oppose any move to dump the primaries proposed this as an honorable way out, after plentiful signals from Prime Minister Benjamin Netanyahu's direction indicated that he would in the end act to remove the issue from the agenda.

These predictions yesterday were reinforced after a meeting of the convention steering committee, whose chairman, Health Minister Yehoshua Matza is seen as acting on Netanyahu's behalf. Matza reiterated time and again that to his mind the sound and fury accompanying the primaries debate "may in the end prove to have been wasted. It's not likely this will ever be brought to a vote."

His broadest hint was that "at the last minute the prime minister may well opt not to have the entire matter come up before the convention at all."

Such a postponement would be "a welcome development," so far as Communications Minister Limor Livnat - the single most vociferous opponent of any plan to do away with the primaries - is concerned. "There is no real reason for this issue to come up before the delegates now," Livnat was quoted as saying. "We are hardly on the eve of elections. A

postponement, or removal of the entire issue from the party agenda, would be just fine.

"If not, the matter should be passed on to our 220,000 members for a referendum. It would certainly be wrong to leave it up to the delegates who comprise the central committee, which is the forum considered for selecting the new Knesset list, instead of the membership at large."

The consensus in many Likud quarters is that the ministers may well unite behind an idea to put off a decision. National Infrastructure Minister Ariel Sharon and Defense Minister Yitzhak Mordechai are said to favor the notion. While all ministers, because they are incumbents in the media limelight, stand to lose from the abolition of the primaries, only Livnat had thus far forcefully spoken out against the idea. The other ministers, moreover, are seen as unlikely to unite in action against a move which they suspect might be favored by Netanyahu.

Only Livnat, Science Minister Michael Eitan, and Justice Minister Tzahi Hanegbi joined Matza yesterday at the steering committee session. Livnat continued her warnings of the past week, and was quoted as predicting that "if the primaries are done away with, the Likud will slide back to the infighting which preceded the primaries system, and this will be our downfall - both electorally and morally."

Barak: Right regrets electing Netanyahu

By SARAH HONIG

Labor Party chairman Ehud Barak contended yesterday that Likud supporters deeply regret having voted for Benjamin Netanyahu for prime minister.

Barak was addressing a very sparsely-attended session of his party's central committee, in which he urged the members to "conquer the street away from the Likud."

Barak said he knows "how deeply Likud supporters rue voting for Netanyahu. They now admit they experienced a bad political accident and ended up putting in power a man who is so plainly unsuited for the job."

"They wanted a leader and ended up with a technical hitch. It's bad enough that he bungles everything and is a severe national

embarrassment, but worst of all is the fact that he is a distinct danger to the nation."

The Labor chairman continued lambasting Netanyahu.

"He is a shell without any content inside. He is all talk and no action. People thought they were electing a right-wing mind, only to discover that they put in office two left hands. Everything this man touches goes awry. No wonder observant Jews wish they could change the country's mezzuzot."

Barak concluded that his party's members "must rise from their armchairs and take to the streets."

"We must conquer the street away from the Likud. Go out to protest rallies which this party will lead, beginning with the rally to commemorate the assassination of late prime minister Yitzhak Rabin," Barak exhorted Laborites.

PALESTINIAN PRESS REVIEW

By Michal Sela

A democratic bi-national state, occasionally discussed in Israel, is also being discussed by some Palestinians.

"It is far from being a philosophical luxury," wrote Atta al-Qaimari in *al-Quds*.

The idea, which is a platform of the Marxist Democratic Front for the Liberation of Palestine, has recently been questioned in an article by the party leader, Abdul-Rahim Malluh. It is a noble idea, but not a realistic one in the current circumstances, he wrote.

Al-Qaimari, affiliated with the DFLP, agreed that it was not realistic, because "it means that Israel has to give up all its achievements," and as the stronger party in the conflict, there is no chance this would happen.

But given the state of the Oslo agreement, the option of a Palestinian state in the administered territories - considered a Palestinian national consensus - seems equally non-realistic, according to al-Qaimari.

Al-Qaimari said that from the ideas being raised by Israel for the final-status negotiations, these will likely lead to another temporary arrangement. Therefore, it might be fruitful to consider an alternative that may solve the roots of the conflict.

A big question is how to bridge a people under occupation without a state and a people with a state based on a religious idea of a state for Jews only, he wrote. "But is it better to be a small divided state dependent on external support... in which workers seek their daily labor at the neighbors'?" Al-Qaimari rejected the possibility that in one united state the Palestinians would be culturally assimilated.

"They could not annihilate our existence... during 30 years," he noted.

Moreover, the Palestinians constitute 43% of the population between the Jordan River and the Mediterranean. "What could happen to them if they were equal citizens in a democratic state that recognizes them as a partnership?"

Though most Jews reject this option, al-Qaimari suggested joining ranks with those Israelis who support it. But though one democratic state is the most just solution, al-Qaimari wrote that he is willing to postpone

it to a later stage, after the establishment of a Palestinian state in part of Palestine "as it was before the settlements and the fragmentary Oslo solutions distorted it."

Hamas and the PA

Hamas's role in Palestinian national politics was again a focus of interest. Reviewing the short history of the Gaza-founded organization in *al-Ayyam*, Ashraf al-Ajrami shed light on the traditionally moderate attitude of the pan-Arab Moslem Brotherhood movement from which Hamas sprang.

Hamas wishes to become an equal, if not an alternative, political power to the National Authority. Considering military activity a means, not an end, the movement is willing to negotiate with Israel, even through a third party. Nevertheless, it is difficult for Hamas to change quickly its rejection of the Jews and to give up the idea of an Islamic state over all Palestine. "The Hamas leadership can do it, but not its constituency," according to al-Ajrami. "That is why Hamas leaders have come out with contradicting declarations." In the short run, Hamas tactics will be to meet its constituency's expectations and maintain some contact with the National Authority.

However, the attempt to assassinate Hamas leader Khaled Mashal was a warning, wrote al-Ajrami. "It may push the movement towards more moderation."

Corruption

The *al-Quds* editorial welcomed Arafat's announcement that administrative reforms would end to the reported corruption in public institutions. "It is not uncommon to find some corruption in societies in similar conditions. The main point... is how we handle it," wrote *al-Quds*. This step should be accompanied by a thorough follow-up of the parliament's rulings that have not yet been carried out.

"The citizen should feel that the Elected Legislative Council is not a fake... but has authority which is respected by the executive power."

Israel not expecting Russia to yield on Iran

By STEVE RODAN

Israeli officials said last night they have virtually no expectations that the current talks with Russian Foreign Minister Yevgeny Primakov will lead to a decision by Moscow to curtail aid to Iran's ballistic missile program.

The officials said in meetings with Primakov he continues to insist that Russia is not providing military aid to Tehran. This, officials said, is despite the presentation of what Foreign Minister David Levy termed "hard evidence" of Russian technology transfer and scientific help to four Iranian missile programs.

"This issue is not going to be resolved between us and the Russians," a senior official said. "This is something that the Russians will decide only with the Americans." The officials said the Primakov talks are a prelude to the arrival early next month of US envoy Frank Wisner, appointed by President Bill Clinton to negotiate with Moscow over an end to Russian aid to Iran's ballistic missile program. Wisner will meet with his Russian counterpart, Yuri Koptev, director of the Russian Space Agency, in their third session on the issue.

Israeli officials have been successful in convincing US intelligence sources and leading members of Congress of the dangers of the Russian aid to Iran. US Rep. Curt Weldon, chairman of House National Security Military Research and Development subcommittee is preparing a bill that would seek to punish anybody aiding Iranian ballistic missile programs.

"The Russians haven't done anything like this [to the extent that it has aided Iran] outside of what used to be called the Communist bloc," said Joseph Cirincione, a leading US missile expert and senior associate at the Henry L. Stimson Center in Washington now attending a conference organized by the Gali Center for Strategy and National Security. "They haven't aided India that way and relations between it and Russia are very close. I would have to agree and say this is unprecedented." Intelligence sources said Russia's accelerated technological aid pro-

gram will give Iran the capability to independently produce medium-range ballistic missiles that can strike Israel, the Gulf and central Asia within 6-8 months. The sources said Russia and Iran are already testing components of the Shihab 3 and by early 1999 will have finished the development of the medium-range missile with a range of about 1,300 kilometers.

But by mid-1998 the Iranians will have sufficient technology and parts to continue with their missile program even if Russia is forced to halt its participation. "We think it will be another good few months that Iran will need Russia," a senior intelligence source says. "We're talking 6-8 months." The sources said Iran is developing four separate missiles.

Shihab 3 has a range of 1,300 kilometers with a payload of 700 kilograms. Shihab 4 has a range of 2,000 kilometers with a payload of more than one ton. Shihab 3 is regarded as the completion of North Korea's Nodong missile while Shihab 4 is based on technology of the Russian SS-4.

Two other missile programs, which have not been named, aim to have ranges of 4,500 and 10,000 kilometers, the latter with the ability to strike the east coast of the US.

"The picture is very clear to Israel and the US," the senior intelligence source said. The argument is at what point will Iran be able to develop missiles independently without Russian help. "For his part, Cirincione is doubtful that Iran can forego on Russian help so soon. "Even next year with Russian help, I don't think Iran can solve the problem," he said. "This is a very difficult project to do." The Primakov visit also comes in the wake of quiet Israeli efforts to convince Russia to end its aid to Tehran. A senior diplomatic source said Mossad chief Danny Yatom recently met with Russian intelligence officials in Moscow to discuss Russian aid to Iran.

But the source said Yatom and his aides came away doubtful that the meeting would lead to any Russian decision to stop aid to Tehran. The source said the Israelis suspect that the meeting was arranged as part of what he termed Moscow's policy of delaying any significant US action against Russian-Iranian cooperation.

Antisemitism parley to address threats to Jews abroad

By ELLI WOLFGELERWITZ

A three-day conference on antisemitism opens today in Tel Aviv with a topical discussion of the status of property confiscated from Jews during World War II.

The semi-annual conference is sponsored by the government, Tel Aviv University, with the participation of the Anti-

Defamation League, the World Jewish Congress and the Jewish Agency.

David Rosen, director of the ADL office in Israel, said the conference's aim was to keep Jews informed so they could "take the necessary steps to insure not only the well being of Jewish communities throughout the world, but also [so] that where anti-Jewish hatred is festering and developing it

can be effectively counteracted."

The opening session this morning is entitled, "The Return of Confiscated Property and Jewish Assets and its Consequences," a topical issue this year in light of the investigation into assets of Holocaust survivors allegedly held by Swiss banks.

The conference, which is not open to the general public, will also hear reports enti-

tled: "Assessments of the Threats to Jewish Communities in the Diaspora," "Iran as Producer of Extremist Propaganda," "The Connection Between Extreme Islam and Radical Left," "The Use of the Internet by the Extreme Right, Fundamentalist Islam and Holocaust Denial," and "Prosecution of Nazi War Criminals and its Impact on Local Antisemitism."

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Property and Services Department, Jerusalem

- Price bids are invited for the following services:
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- Period of Contract
The development period, plus 12 months guarantee period, with an option to extend for a further seven years.
- a. To obtain the tender documents, and additional details, apply to the inquiries desk or the secretary of the Property and Services Department, 29 Rehov Rivka, 2nd Floor, Ministry of Health, Jerusalem, Tel. 02-668-1221/200, 02-668-1384, during regular working hours.
b. The tender documents will be provided, on submission of a receipt for NIS1,000, for money paid by means of a payment slip into Postal Bank account 0-03807-9, to the credit of The Property and Services Department of the Ministry of Health.
c. Clarifications and requests for further particulars should be addressed, during regular working hours, to Mr. Ilan Meir, Tel. 02-670-8855, or Fax. 02-671-6570.
- Last date for submitting bids, which should be placed in the tenders box at the information desk, Ministry of Health, 29 Rehov Rivka, 2nd Floor, Jerusalem, is December 11, 1997, at 1:00 p.m.
- a. Questions and reservations in respect of this tender should be submitted in writing, not later than November 13, 1997. They should be addressed to 4 Rehov Shalom Yehuda, Ministry of Health, Jerusalem, Tel. 02-670-8855, or fax. 02-671-6570.
b. A bidder who submits no such questions of reservations will be regarded as agreeing to the terms of the tender.
c. Basic conditions applying to the submission of bids:
(1) A valid certificate from an auditor, in accordance with the Income Tax Ordinance, giving the bidder's financial turnover in 1996, should be attached to the bid.
(2) Payment of NIS1,000 (nonreturnable) should have been made for the tender documents.
(3) To be eligible to bid, suppliers must be legally registered bodies with proven experience of at least five years, in the provision of services of the type described in the tender documents, who employ 20 full-time employees in the relevant field, and have an annual turnover of at least NIS5 million, as confirmed by an auditor's certificate. A supplier may bid, if it is the Israeli subsidiary of a company, and its parent company complies with these conditions, provided the parent company acts as guarantor for its subsidiary.
(4) Certificates should be attached to the bid, confirming that the supplier is a registered trader for the purposes of VAT, and that he keeps account books.
(5) A bank guarantee must be attached, to the value of 10% of the total sum of the bid, linked to the index, with the addition of VAT, valid for up to 120 days from the last date for submission of the bid.
(6) Bidders must participate in the bidders' meeting which will take place on November 24, 1997 at 9 a.m. in the first floor conference room of the Ministry of Health, at 4 Rehov Shalom Yehuda, Jerusalem.
(7) The main supplier must be an automated data processing company which will develop or adapt through its staff and/or subcontractors the main system and the application described in the tender documents in accordance with the conditions therein.
- The Ministry is empowered to give preference to legal bodies with greater experience in the supply of the services required by this tender, and with better qualified personnel.
- We do not undertake to accept the lowest bid or part of it, or any bid submitted. We are entitled to divide up the order and to give preference to experienced bidders, as detailed in the tender conditions, and are entitled to cancel or enlarge or reduce the scope of the tender for budgetary and/or administrative and/or organizational reasons.
- Where applicable, compulsory regulations applying to tenders (preference for Israeli products), 1995, in respect of business cooperation will pertain to the company to whom the bid is awarded.

NEWS

in brief

Israel visa scam in Kiev

Interior Ministry officials yesterday revealed that non-Jews were obtaining visas to enter Israel as new immigrants by paying for false affidavits sworn to by Jews in court stating that they were their biological parents, which the non-Jews then used to obtain visas. A ministry spokesman said a family of immigrants recently arrived here with visas obtained in the Kiev consulate in this way. Interior Ministry officials are looking into the matter.

Aryeh Dean Cohen

Ministry blamed for losses at tourism sites

The Education Ministry is causing millions of shekels in losses to tourism sites by failing to address a dispute which is keeping schools from sending pupils on outings, Ramat Negev Local Council Chairman Shmuel Rifman charged yesterday.

Aryeh Dean Cohen

Murder suspect released on bail

Ze'ev Rosenstein, who police suspect murdered Ilan Aslan and Ya'acov Kahalon and contracted for the murder of Manny Aslan - which was foiled by police - was released on NIS 170,000 bail yesterday by the Tel Aviv Magistrate's Court and placed under house arrest for 30 days.

Judge Rachel Greenberg said she was not convinced police have any new evidence against Rosenstein and that the investigation was going in circles. The judge, however, agreed to delay Rosenstein's release until today, to give the police a chance to appeal.

Jtm

Rabbi Adin Steinsaltz for president of Israel?

By MARGOT DUDKEVITCH

Seeking to establish an alternative Jewish leadership that will appeal to both the Right and Left, the Jewish Leadership Movement declared at their latest gathering that the movement would promote Rabbi Adin Steinsaltz as a candidate for president next year.

Apparently, no one has approached Steinsaltz on the matter.

One of the movement's founders, Mordechai Karpel, stressed that Steinsaltz's name was raised as an example of the role model the movement is seeking, but that at least another six candidates are being discussed. He told Arutz 7 that former Supreme Court deputy president Menachem Eilon and Rabbi Yisrael Ariel were among the others being touted as candidates.

He added that during the coming months the movement's leaders would approach the different candidates. He also invited the public to offer suggestions.

"We need a president that will represent our Jewish identity," he added. "We believe that the general public does not need a religious identity but a Jewish identity and we hope to base our consensus on that belief."

Steinsaltz's name was raised by a government minister, Karpel said, but he refused to say which one.

The movement is a political one

that is not affiliated or identified with any political party, Karpel said. He added that future plans include lobbying MKs and government ministers, and he did not rule out the possibility of running in the next general elections and putting up a candidate for prime minister.

"That, obviously, will depend on the kind of support we will receive from government ministers," he said, noting that if the government adopts its agenda there would be no need to establish another political party.

The movement, established over a year ago, organized its first rally on the eve of Pessah this year, Karpel said, adding that the rally Saturday night was attended by over 2,000 people, even though it had barely been advertised other than in the movement's newsletter. Over 50,000 receive the newsletter, which is distributed mainly in synagogues, Karpel said.

Karpel stressed that the plan to support a presidential candidate should not be perceived as a condemnation of President Ezer Weizman. "He represents the people of Israel, but we feel there is a demand for someone to represent the Jewishness of the Israeli people," Karpel told Israel Radio.

While the movement had attracted the support of various religious sectors, Karpel stressed that secular people had also expressed an interest in the movement.

Prisons Service denies hiding release of Nitzanim terrorists

By ARIEH O'SULLIVAN

The Prisons Service yesterday denied trying to hide the fact that five of the terrorists freed in the Masha'al-Mossad prisoner swap were members of the Abul Abbas squads that tried to attack Tel Aviv from the sea in 1990.

"We never tried to hide anything," said spokeswoman Orit Messer-Harel. "It was late and we released everything we had on them. There was no conspiracy and I never had any contact with the Prime Minister's Office. We don't know everything [the prisoners] did."

At the time, Messer-Harel's office issued a statement listing the nine prisoners being freed. According to the list, the five captured on the May 29, 1990 raid were imprisoned for belonging to an "unknown organization," carrying out military train-

ing, and possessing weapons. They were all serving 30-year sentences.

The Prisons Service announcement did not mention the fact that they were members of the Abul Abbas terrorist squads who tried

to launch a massive raid on Tel Aviv. In the event, the raiding parties got lost - with one group of five terrorists surrendering immediately upon landing near Kibbutz Ga'ash, north of Tel Aviv.

The others were part of a group of 11 which outran patrol vessels and splashed ashore near Nitzanim Beach.

A helicopter gunship pinned them down until IDF forces overran them, killing four and capturing

seven. It is not clear whether the five released were from the boat that landed at Nitzanim or at Ga'ash.

The terrorists told their interrogators that their mission was to carry out an attack on Tel Aviv hotels and conduct a massacre.

The Prisons Service statement noted that none of the prisoners had killed anyone. The prisoners are to remain jailed in Jordan.

Itim adds: Meretz MK Ran Cohen yesterday wrote State Comptroller Miriam Ben-Porat asking her to investigate who was responsible for disseminating the lie about the prisoners to the public. Cohen wrote that since the orders to lie had come from the Prime Minister's Office and defrauding the public is the "foundation stone" of this government, it is incumbent upon her to conduct an inquiry.

Turner: They met our criteria

Former police inspector general Ya'acov Turner yesterday justified the exchange deal with Jordan over the Masha'al affair, in which five Palestinian terrorists who had planned to carry out a murderous attack on Tel Aviv were traded for Mossad operatives.

"We were fortunate and so were the terrorists that they did not kill or wound anybody and therefore saved the lives of many having blood on their hands," said Turner.

"It is not the first time that Israel has released prisoners in exchange for soldiers who were sent into battle and themselves were taken prisoner."

"In this respect, members of the public should not be seen as being too hard on the soldiers."

"Other governments in the past have released prisoners in order to free our troops in a matter which creates internal opposition and comes a time when a difficult decision is taken. I don't think there was any mistake."

"If we determined that we were releasing members of Harbat or those who were in the hands - then these five and the other four, Turner, who today is in charge of the Force Museum at Haifa."

Furor erupts over hiding rapist's identity

By MICHAEL YUDELMAN

A public outcry arose yesterday, following a report in *Ha'aretz* that Bnei Brak dentist Amos Buchnik claims to know the identity of a notorious rapist, but will only reveal it if an investigation of Rabbi Eliezer Abuhatzira is dropped.

Former internal security minister Moshe Shabai and MK Yael Dayan called on the police to immediately hunt Buchnik in for questioning about the rape and attempted murder of a young female soldier, which sent shock waves throughout the country 12 years ago.

On August 16, 1985 the soldier hitched a lift with a man near Ramat Hovav. The driver attacked her, tore off her clothes, and raped her. He then shot her in the head and threw her naked from the car, leaving her for dead. But she managed to crawl for some 20 hours in the desert until she was found by three Beduin youths, who called for help. The rapist, dubbed "the rapist from the South," was never caught. The soldier remained in a coma for nearly two months, after which the only identifying particular she could recall about the attack was that the man drove a Subaru.

Ha'aretz's Yossi Bar-Moha reported yesterday that Buchnik offered to tell him who the rapist is,

if it stopped publishing exposes about Abuhatzira in Beersheba and the police stopped investigating him. *Ha'aretz* recently reported alleged tax evasions by Abuhatzira.

"It's been lying in my stomach for 12 years," Buchnik told Bar-Moha, saying he had not revealed the rapist's identity for "religious and humane reasons," and because Abuhatzira told him this would amount to handing over a Jew to non-believers (*din maser*).

The head of investigations for the southern police district, Dep. Cmdr. Arye Lior, told Israel Radio the police could not pressure Buchnik, because he committed no offense.

Lior's comment aroused Shabai's anger. "I was filled with fury to hear how the police was handling the affair," Shabai said, adding Buchnik should be questioned and that his withholding evidence is a crime.

According to sources in the southern police district, Buchnik told Lior last Tuesday that one of his patients had told him he had raped and shot the woman soldier. The southern district passed on Buchnik's information to national police headquarters, which took charge of the investigation.

The national police spokesman said yesterday the police would not bargain with Buchnik, who was not available for comment.



Children's champion

Health Minister Yehoshua Matza presents the ministry's Chessed Award to Willie Trump for his support of programs that help developmentally disabled children.

(Sara Hersh)

Beduin leaders to PM: Fire Rafael Eitan for racist remarks

Beduin leaders are demanding that Prime Minister Benjamin Netanyahu fire Agriculture and Environment Minister Rafael Eitan, following publication of what they said were racist remarks Eitan made relating to the Beduin.

The remarks were contained in a letter to the prime minister that

Ha'aretz obtained last week. In the letter, Eitan warned against the Beduin taking control of state lands in the Negev, condemned illegal building by Beduin in the area, and complained of violence by Beduin against law enforcement and civilian officials.

Eitan also advised disbanding the

IDF desert reconnaissance unit, for fear that armed Beduin might not remain loyal to the state and would lead a violent Beduin uprising.

At a press conference yesterday in Beersheba, Eitan said "the document was not aimed against the Beduin, but was meant to warn the government of the problems facing the Beduin at the end of this century, and the need to find a basic solution over the next several years."

Publication of parts of the letter Friday caused a storm in Beduin

communities in the South. At a separate press conference yesterday, MK Taleb a-Sanaa (Democratic Arab Party) expressed fear that the government might adapt Eitan's approach as its policy.

Instead of involving the Beduin in the development of the Negev, a-Sanaa said, all governments have tried to concentrate them in seven towns. This plan failed, and 80% of the Beduin live in 172 other places, including unrecognized towns.

"There are 70,000 Beduin in

unrecognized towns and demolition orders pending against 13,000 homes. All of them have turned into criminals, since no government has given them a chance to live like human beings," a-Sanaa said.

Tourism Minister Moshe Katsav, who is responsible for relations with Arabs, rejected Eitan's remarks, saying "No one should cast doubt on their loyalty to the state; 109 fallen Beduin soldiers who gave their lives for the state testify to their sacrifice and loyalty." (Itim)

Where to eat in Israel

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JERUSALEM

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ESHEL AVRAHAM AVINU - Gilt Kosher LeMehadrin. Delicious mixed grill, meats & fish prepared on the grill. Also superb shawarma, soups & salads. Open 11 a.m. to 1 a.m., including Motel Shabbat & Hag. 9 Yermiyahu St. Tel: 02-537 3584.

EUCALYPTUS - The taste of Israel from Biblical Days. Excellent meat, fish & vegetable dishes enhanced by a masterful use of herbs and spices. Luncheon specials. Evening entertainment. Rave reviews. Kosher. 7 Horikones St. Tel: 02-624 4331.

KOHINOOR Kosher Indian Restaurant - Kashrut supervision by Rabbi Yosef Polik. Buffet lunch NIS 47 (children NIS 24) Open 12-4 p.m.; 6 p.m.-midnight. Holiday Inn Hotel, The Crown Plaza Tel. 02-658 8867, Tel/Fax: 02-653 6667.

LITTLE JERUSALEM - The Ticho House, Kosher Dairy & Fish. Open for breakfast, lunch, dinner. Delightful garden setting. Free entrance to the famous Anne Ticho Museum. Live Jazz Tuesday Evenings. 9 HaRav Kook St. Tel: 02-624 4188

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RESTAURANT MISHKENOT SHAANANIM - Superb French cuisine for lunch & dinner, 7 days a week. Outstanding wine cellar, elegant setting - spectacular view - Private room. Located in Yemin Moshe (below the Guest House) Tel: 02-625 1042.

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SHENERS - Kreplach Soup to Jerusalem Mixed Grill. Great food at reasonable prices, served in a cozy modern setting. Luncheon specials. Open noon-11 p.m. Gilt Kosher-Le Mehadrin. Kaneli Nesharim 24, Givat Shaul. Tel: 02-651 1446.

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SURFERS' PARADISE - The only kosher Internet restaurant in Israel. Delicious pasta, soups, salads, pies. Surf the net! AOL/Jemail/Scan photos. 4 Dorot Rishonim, off Ben Yehuda Mall. Tel: 02-622-6934.

THE 7TH PLACE - Popular Jerusalem dining spot, authentic South Indian and dairy cuisine. Spacious, bright and friendly. Live shows every night. Kosher. 37 Hillst St. (Beit Agnon - the journalists center). Tel: 02-625 4495.

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THE LEBANON RESTAURANT - Main road outside Rosh Pina, near Paz gas station. A connoisseur's oriental restaurant. Selection grilled meats, sea-water fish, shawarma, humous + ful bread, salads, and many main courses. Tel: 06-693 7569.

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seven. It is not clear whether the five released were from the ship that landed at Nizamin or a flash. The terrorists told their captors that their mission was to kill out an attack on Tel Aviv and conduct a massacre. The Prisons Service stated that none of the prisoners killed anyone. The prisoners are to remain jailed in Jordan.

Itim adds:
Meiritz MK Ran Cohen yesterday wrote State Comptroller Avram Ben-Porat asking her to investigate who was responsible for disseminating the lie about the massacre to the public. Cohen said that since the orders to kill came from the Prime Minister's Office and the Attorney General's Office, the "foundational" of this government is incumbent upon her to conduct an inquiry.



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Albright to Jiang: Expect protests

By JIM WOLF

WASHINGTON (Reuters) — US Secretary of State Madeleine Albright predicted yesterday that Chinese President Jiang Zemin would not enjoy a "totally fuzzy time" during his visit to the United States and defend US efforts to open China's political system.

"This was not our itinerary, it was theirs," she said on the NBC program *Meet the Press*, apparently referring to stops on the US East Coast and West Coast likely to draw the biggest protests.

The visit started late yesterday in Hawaii, and includes talks in Washington with President Bill Clinton on Wednesday. Jiang and his entourage will also visit colonial Williamsburg, Virginia; Philadelphia; New York; Boston and Los Angeles.

Because of planned protest rallies,

Albright said Jiang would "not have a totally fuzzy time" during the first state visit by a Chinese leader since Beijing crushed the Tiananmen Square democracy movement eight years ago.

Albright rejected a suggestion by Jiang at a pre-departure news conference in Beijing Saturday that the United States was being too pushy in trying to open China's political system.

"I don't believe you can ever be too pushy about democracy," she said.

Chinese officials from Jiang on down have urged US authorities to shield Jiang, 71, as much as possible from the protesters expected at each of his stops.

"I was invited by President Clinton," Jiang told reporters on Saturday when asked how he would react. "So it will be up to the United States to handle these events." But Albright, alluding to the planned rallies, said Jiang and his entourage would "probably see

what America's really like ... a country where people can express their views. And if they're not prepared for it, they ought to be because, I think that Americans feel very strongly" about alleged Chinese human-rights violations, she said.

Albright said the Clinton administration was eager to use Jiang's visit to improve bilateral ties strained since the 1989 Tiananmen Square crackdown.

"The important part here for us is to engage with China but not endorse everything that they are doing," she said. "And we will never have a completely normal relationship with them until they have a better human rights policy."

Jiang's trip has sparked protest plans by a broad range of critics, including Chinese dissidents, human-rights activists, advocates of greater Tibetan autonomy, environmental groups, labor unions and abortion foes.

A deal that would set the stage for US

companies to sell billions of dollars of civilian nuclear power plants to China — the expected centerpiece of the US-China summit — was still being worked out, Albright said.

At issue is what type of assurances China would give about phasing out its nuclear cooperation with Iran, which Washington accuses of planning a covert nuclear weapons program.

Albright said the US needed "clear and unequivocal" assurances that Beijing would no longer help Iran develop its nuclear power program.

She held out hope that China might still release one or more political prisoners to improve the climate for the summit.

"They are obviously resisting, in terms of releasing people. We have made that point very clear a number of times, that we think it's important," she said. "We will have to see."



Spanish sheep schlepp

A Shepherd leads 2,000 sheep through central Madrid yesterday. The action was part of a campaign to revive annual migration of livestock along Spain's ancient cattle paths, some of which cross the heart of the capital.

(Reuters)

Mandela urges more action on Nigeria

By DAVID LJUNGGREN

ST. ANDREWS, Scotland (Reuters) — South African President Nelson Mandela yesterday urged Commonwealth leaders to find more ways of pressuring Nigeria to release some of its most eminent political prisoners, officials said.

Commonwealth leaders on Saturday agreed to maintain Nigeria's suspension for another year and threatened to expel the west African nation unless it fulfilled its long-standing promise to introduce democracy by October 1 next year.

But officials and diplomats said Mandela — who himself spent 27 years in jail for fighting apartheid — was deeply worried by what he saw as Nigeria's total intransigence over the release of political prisoners.

"He has suggestions on how Nigeria could be dealt with. The leaders are now hearing for the first time his proposals on what to do with Nigeria," an official told reporters.

"The leaders will consider ways in which the Commonwealth can bring the release of prisoners about," the official said, after leaders began an informal session of talks at the luxurious Old Course Hotel in the ancient university town of St. Andrews, 80 km. north of Edinburgh.

WORLD

in brief

Islamists charge Algerian polls rigged

PARIS — The outlawed radical Islamic Salvation Front (FIS) accused the Algerian government yesterday of resorting to fraud and unprecedented ballot-rigging in last week's council elections.

"With the local elections on October 23, the ruling powers have ended an electoral cycle that was based on exclusion and marginalization and finished up in fraud and unmasked trickery," the statement said.

Results released on Friday showed the National Democratic Rally (RND), President Liamine Zeroual's main supporters, won more than 50 percent of the vote.

The former ruling National Liberation Front (FLN) took about 20% and the Islamist-leaning Movement of Peaceful Society (MPS) around 10%, the government said.

Reuters

Menem may lose congressional majority

BUENOS AIRES — President Carlos Menem's Peronist Party, credited with reversing decades of economic decline in Argentina, may lose its congressional majority as a result of mid-term elections held yesterday.

Official results were expected late last night. Polls indicate that a new center-left coalition, The Alliance, stands to benefit from an electorate no longer scared of change and eager for progress on social issues.

AP

Van Gogh's 'Sunflowers' painting may be fake

LONDON — Vincent van Gogh's "Sunflowers," one of the world's most valuable paintings, may be a fake, the British *Sunday Times* newspaper reported, citing investigations by art expert Geraldine Norman.

The painting was sold by the Chester Beatty family in 1987 to Japan's Yasuda Fire and Marine Insurance Company for \$40.3 million. The Japanese owners said in July that there was no possibility the famed painting was a fake.

According to the newspaper, Norman concluded that a sunflower study attributed to the famous Dutch artist was "almost certainly" the work of Claude-Emile Schuffenecker, an embittered Parisian art teacher who owned it when it surfaced at a Paris exhibition in 1901.

Reuters

Iran executes 6 for adultery, prostitution

TEHRAN — Three men and three women have been stoned to death in public in northern Iran after a court found them guilty of adultery and prostitution, the Farsi-language Salam newspaper reported yesterday. The women were reportedly stoned by local civilians in public in Khazar Abad, near the Caspian Sea. Stoning executions are usually carried out once or twice a year in Iran, where under Islamic law, prostitution and adultery are punishable by death.

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French Right: Leave wartime past alone

By TOM HENEGHAN

PARIS (Reuters) — Another prominent leader has joined a rising conservative chorus urging France to stop washing its dirty linen in public over the war crimes trial of accused Nazi collaborator Maurice Papon.

Francois Leclercq, leader of the Union for French Democracy (UDF), charged that the soul-searching unleashed by the trial was turning into a morbid reexamination of the darkest chapters of recent French history.

"We've gone over the Second World War, we've gone over the Algerian War," the former defense minister complained in a speech to party members on Saturday. "You'll see, in three months, there'll be some slightly morbid brooding about the Indochina War, too."

The Papon trial, in which a former official of the collaborationist Vichy regime is accused of sending 1,560 Jews to Nazi death camps, has opened up a Pandora's box of historical taboos that some French would prefer were kept under wraps.

Heated debates about wartime collaboration, the brutality of the Algerian War and General Charles de Gaulle's readiness to work with former Vichy officials have upset conservatives, who see them as an embarrassing affront to France's postwar record and image.

In the past two months, Roman Catholic bishops, the police and the medical profession have apologized for not helping Jews in France enough to escape the Holocaust.

"Enough! Enough! Enough!" wrote Philippe Seguin, head of the Gaullist Rally for the Republic (RPR) party last week, in an article which accused the Socialist-led government of using the debate to undermine the conservative camp.

Confronting the past had created a "climate of collective atonement and self-flagellation" that was turning into an outright attack on Gaullism itself, he said.

Maurice Druon, a World War II Resistance veteran and former culture minister, burst out at the Papon trial, saying: "Who profits from this trial? Germany, and only Germany! Germany will have its revenge tomorrow!"

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Desperately seeking a new Russia

The visit of Russian Foreign Minister Yevgeny Primakov is panning out as a bad version of *Back to the Future*—an unreconstructed ex-Politburo member stonewalling on his nation's hip-deep involvement with a dangerous pariah regime. Back, too, is that old Soviet-style chutzpah: demanding a greater role in the peace process while illegally providing missile technology to Iran, the most aggressive force in an already famously unstable region.

Speaking after his meeting with Foreign Minister David Levy, Primakov dismissed as "rumors" reports which claim thousands of Russian technicians are involved in Iran's ballistic missile program. His insouciance in the face of hard evidence confirmed by both Israeli and US intelligence services will no doubt backfire in the United States Congress, where the House International Relations Committee has just unanimously approved a bill that could force the Clinton administration to invoke numerous sanctions against Russian companies involved in this nefarious technology transfer.

It is clear that Russia has already provided Iran with critical know-how and technological support," said committee chairman Benjamin Gilman, who is moving for immediate action "to prevent Iran from achieving a significant advance in its missile program." Iran is reportedly about eight months away from the point of no return, after which even a full cutoff of Russian assistance will not seriously impede its nuclear program.

The Iranian effort is aimed at producing missiles that would allow the Islamic republic for the first time to reach Israel with weapons of mass destruction. It should go without saying that, under such circumstances, Israel should not acquiesce to the standing Russian bid for greater involvement in the region. What point could there be to assigning a special Russian envoy to the region, a-la Europe's Miguel Moradinos, while Moscow's death trade continues? The Russians must understand that no amount of talking about peace can mask or compensate for their real-life actions, whose effect is the very opposite of such talk. Moreover, Russia cannot expect to be treated like a responsible, developed democracy, rising like a phoenix from the ashes of the Soviet empire, if it relapses into vintage, Soviet-era foreign policies. Indeed, as much as Russia

would like to be viewed as the mirror image of its previous incarnation, and welcomed as a Great Power not only in size but also in international prestige, Moscow must understand that that mantle cannot be assumed; rather, it must be earned.

While Western Europe's record—particularly France's and Germany's—of appeasing Iran with trade and bank loans is scandalous in its own right, it still pales beside the brazenness routinely exhibited by Russian companies and so-called institutions. The Europeans at least play the game of pretending that their dealing in Iranian oil exploration and sophisticated "civilian" technologies will not bolster Tehran's threat to the region. But even the Europeans would not think of directly masterminding Iran's long-range missile program, as the Russians are at this very moment.

This is not a close call. This is the case much of the non-proliferation regime was constructed to prevent. Though it is, of course, necessary for Israel to block Primakov—a veteran Arabist of the old school and now the architect of Russia's Iran policy—with the evidence that he has been caught in the act, it is the US and Europe that have the financial leverage to take effective action. Clinton administration officials testified against the bill that passed the House committee, but pointedly abstained from threatening a presidential veto. It is unfortunate that the White House may have to be forced by Congress to impose sanctions, since its resistance in such a cut-and-dried case undermines the entire non-proliferation regime. In fact, if the threat of sanctions had not already become so attenuated through lack of use, the Russians probably would have acted to shut down the technology flow to Iran long ago. Whatever tens of millions of dollars the Iranian contracts are worth, US assistance and space cooperation with Russia—both present and future—is worth billions.

Today's mantra, that sanctions don't work, has become a self-fulfilling prophecy: indeed, such measures are so rarely and selectively imposed that they have lost their deterrent value. The Russia-Iran case, with ample Western economic leverage and legal backing at hand, is a golden opportunity to simultaneously address a serious threat to Western interests, while breathing credibility into a withered tool for peacefully safeguarding Western security.

PM for all?

YOSEF GOELL

The top contenders for national leadership in democracies are expected to attack each other in the heat of the election campaign, but the winner is expected to be the leader of the entire people, including those who voted for his opponent. Psychologically, such a switch in tone, expression and behavior a tall order, especially when one demands it from the types who make it to the top in politics.

Surprisingly, most national lead-

ing the past 16 months by his disdainful and even thuggish attitude to his cabinet colleagues, his Likud party, the Knesset, the "hostile" media, and to at least half of the population whom he has now identified as "leftists."

His recent highly publicized shouting into the ears of the deaf dean of kabbalists Rabbi Kadouri that "the Left" has jettisoned its last vestiges of Jewishness and is determined to cede responsibility for Israel's security to the Arabs, is only the latest case in point.

Are there some individuals on the extreme Left of whom this may be true? Clearly the answer is yes. But seeking to tar the entire half of the nation which voted against him with that accusation is nothing less than criminal when it comes from the mouth of a prime minister.

The "Left," in the form of Labor and Meretz, were not entirely blameless of similar behavior. In the aftermath of prime minister Rabin's assassination two years ago many politicians in those two parties mounted a campaign to tar Netanyahu personally and the Likud collectively, and even more so the entire National Religious camp, with responsibility for that murder.

Although Rabin's widow, Leah, and some others still continue with that slander, Labor leaders such as Peres and Barak were wise enough to realize where such accusations could lead and stopped well before the brink.

Netanyahu has already proven his total inability to translate the popular will to continue with the Oslo process with the Palestinians (with substantial modifications) into political terms. But he has also shown that he is unfit to serve as the leader of democratic nation. His political intentions are obvious. He believes that his political future depends entirely

Bibi is basically an anti-democrat

ers in mature democracies usually do succeed in carrying out that metamorphosis, some with more and others with less grace and panache. If they did not, it is highly doubtful whether any democracy could long survive. The poisoned atmosphere of a typical election campaign will, of course, return in the next campaign; but in the interim the incumbents are expected to show what they can do in leading their country as a basis for their future appeal for reelection.

One of the very serious problems to emerge during Prime Minister Netanyahu's year and a third in office is that he clearly has no intention of performing that part of the prime minister's role which calls on him to serve as a national unifier. Worse, it may well be that even were he to come to the conclusion that it pays for him to behave as such, he would not have the vaguest idea of how to pull it off.

All the indications are that despite his great admiration for the US and things American, Bibi is basically an anti-democrat. He has demonstrated that amply dur-

Iraq is still a major threat

LAURIE MYLROIE

"You're right," said Rolf Ekeus, the lanky gray-haired Swedish chairman of the UN Special Commission, responsible for eliminating Iraq's weapons of mass destruction. But even as Ekeus was leaving his post after six years, Saddam Hussein was still holding on to dangerous, proscribed, unconventional capabilities. I had long suspected that and doubted Saddam would turn them over. Just as sanctions would not have forced Saddam out of Kuwait, they would not cause him to give up those weapons—biological, chemical, and, perhaps, some day, nuclear.

All this, however, only became known after the August, 1995 defection of Saddam's late son-in-law, Hussein Kamil, who had supervised the development of Iraq's unconventional weapons. Then, in the fall of 1995, it was learned that Iraq's most lethal capabilities had survived the war and Iraq had managed to conceal that from UNSCOM for over years.

Iraq, it was learned, had produced the highly lethal chemical agent, VX. One hundredth of a gram is fatal. Iraq acknowledged producing four tons of VX, but claimed to have destroyed it unilaterally, a claim UNSCOM does not credit. Iraq also retains the ability to produce more VX. It had two parallel production facilities. One was used to produce the

chemical agent. But a duplicate program was built around the manufacture of pesticides. Although the equipment was never used for VX production, the technology is the same and is completely transferable.

Baghdad also retains its entire stockpile of biological agents. Indeed, Iraq has made the greatest effort to conceal its biological program and UNSCOM knows the least about it. UNSCOM continues to make alarming discoveries. Most recently, it learned Iraq had carried out large-scale production of a lethal fast-acting toxin, suitable for use on the battlefield. The stockpile remains somewhere in Iraq.

There is also a potential nuclear problem. After Kamil's defection, it was learned that Baghdad was much further along in its nuclear program than had been thought. Possibly, all Iraq lacks for a bomb is the fissile material.

IN short, there is an enormous problem. Generally important people bring such problems to public attention. One important person has—the outgoing UNSCOM chairman. But he is, at the end of the day, a technocrat. If it is not picked up by political authorities, it can fall on deaf ears. And that is what has happened. This was the

news no one wanted to hear—not George Bush, who ended the war prematurely, and not Bill Clinton, who is unprepared to deal with the consequence.

As all this became known, the Clinton administration merely reaffirmed the old policy—sanctions would stay on Iraq. Otherwise, it did little to take the material from Saddam. In June, 1996, for example, an UNSCOM team had Iraqi Scuds within sight. But UNSCOM received no meaningful support from Washington and the Iraqis spirited the missiles away.

Some Israelis understand the problem. In December, 1995, then-foreign minister, Ehud Barak, met US secretary of defense, William Perry. Barak made what official US notes of the meeting described as an "emotional, personal appeal." Barak went on to publicly criticize the "oil for food" resolution, which Baghdad had begun to discuss with UN authorities. If it were implemented, a substantial part of the money Iraq was spending on humanitarian goods would go for proscribed purposes.

Instead of addressing the problem, the administration told Barak not to criticize the resolution, saying it would be bad for the peace process. The Likud government has also expressed its concerns about

Iraq, but privately, not publicly.

Thus, there is little public awareness of the problem, even as Baghdad claims, with increasing stridency, that it has complied with the UN resolutions and it is time to lift sanctions. The Security Council recently took its toughest stance against Iraq in several years. On June 21, it unanimously passed a resolution demanding Iraq cooperate with UNSCOM and threatening additional measures, if four months hence, Iraq was still not cooperating. Baghdad rejected the resolution, claiming, "Iraq has implemented all relevant resolutions," and demanding that the Security Council "totally lift the blockade imposed on Iraq." It is hard to avoid the conclusion that Saddam will not relinquish that material unless much more is done. Even so, international support for sanctions is waning. How much longer can they be expected the last?

They may be lifted, even as Iraq retains large quantities of proscribed agents and the capability to produce more. Conversely, if sanctions remain, Saddam might actually think to use what he will not turn over to UNSCOM. In either case, there is a serious problem. Few want to hear that. But to delay coming to grips with it is to invite the worst.

The writer is an expert on Middle Eastern affairs and is the publisher of Iraq News.

LETTERS TO THE EDITOR

RIGHT TO STATEHOOD

Sir, — For almost all Israeli politicians the need to fight terror is axiomatic. Whereas, in fact, it is completely pointless. Denying the natural rights of self-determination to people above a certain degree of civilization, will inevitably cause them to fight for these rights. Calling these fighters terrorists and killing one of their leaders, will change nothing. New ones will always come forward.

What then would perhaps do the trick? How about trying to face the fact that others have the same right to statehood and security, as we have. Can it not be assumed that an independent, fully sovereign

Palestinian state, will not risk its achievement and existence in another war with us. And also that other Arab states would not encourage and support such an adventure, which would result in turmoil and defer the ongoing development of their economies. We already have seen that most of them are willing to accept the existence of Israel.

That is the only way to end terrorism, and the sooner it is tried, the better, before Israel turns into another Iran.

WALTER AUFHAUSER

Tel Aviv.

PARADOXICAL

Sir, — Moshe Arens's call for repealing the direct election of the Prime Minister Law in "No checks, no balances" (October 15) is timely, but to infer that we would automatically return to sound government is paradoxical. The penchant of opinion formers is to conveniently forget the travesty of previous years of political extortion which created the public's lack of confidence in a system which provides no accountability whatsoever to the electorate.

Small parties (the Israeli malaise) will always wield power

disproportionately until we effectively change the system to one of direct election of our representatives.

Furthermore, unless we make an effort to bring about a separation of religion and state we will not only continue to regress but also lose any hope of ever being a true democracy.

It is no wonder that Jews in the Diaspora and the world in general find it harder to identify with us.

ZELDA HARRIS

Netanya.

BEGIN TO LISTEN

Sir, — Pinhas Inbari and Ziv Hellman write in "Jordan is the key" (October 17): "As strange as it may sound, Hamas rhetoric actually dropped its former antisemitic tone. ... Statements by (Sheikh Ahmed) Yassin revealed an indirect recognition that was previously absent. Yassin no longer describes jihad as a holy commandment to eliminate the infidels."

The very next day, Sheikh Ahmed Yassin declared, in an interview with a Swedish newspaper, as reported on Israel Radio, that he would never tolerate the presence of a Jewish state, even were it confined to the limits of the city of Tel Aviv, and that the Jewish entity in this land must be totally eliminated.

Likewise, the Palestinian Covenant also rejects the existence of Israel.

When will our learned political analysts simply begin to listen to what the Arabs are actually and repeatedly saying, instead of these experts on peace implementation indulging in imaginary scenarios of Arab moderation, which have no basis in reality and fact?

BEN SHUA

Jerusalem.

FROM OUR ARCHIVES

60 years ago: On October 27, 1937, *The Palestine Post* reported that Mordechai Slotnick was killed and an Arab constable wounded in a 20-minute fierce engagement between a police guard and a raiding party of 15 Arabs who ambushed a six-truck convoy carrying 21 Jewish laborers returning to Jerusalem from work in the Palestine Potash Company concession at the Dead Sea. Constable Jacob Hoffman was wounded when shot at in Jerusalem's Old City.

Asher Herman, 16, was badly wounded in an Arab attack on school at Yagur settlement near Haifa. A bomb was thrown in the Sephardi quarter at Safed.

50 years ago: On October 27, 1947, *The Palestine Post* reported that Abraham Salzman (25), a Jewish Settlement Policeman, was murdered near Nitzanim.

For the second consecutive day the Hagana clashed with the Irgun Zvai Leumi in Tel Aviv, Rehovot, Ramat Gan and Givatayim. A number of persons

were injured.

25 years ago: On October 27, 1972, *The Jerusalem Post* reported that an Egyptian security officer was severely injured when a letter bomb exploded at Cairo airport.

Most of the "Nicosophia" land, south of the King David Hotel in Jerusalem was incorporated into a national park being developed around the Old City following the acquisition (on a 125-year lease) from the Greek Orthodox Patriarchate.

Alexander Zvielli

مكتبة النجف

97 The Jerusalem Post
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MAYBE THE GOVERNMENT IS WORKING QUIETLY BEHIND THE SCENES?
TWO LONG YEARS AGO!
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Sunday, October 26, 1997
Vol. CXLVI—No. 50,957
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The New York Times Weekly Review

Printed and distributed
in Israel
in association with
The Jerusalem Post

Unhappy Returns

Pity the I.R.S., the Tax Code's Whipping Boy

By RICHARD W. STEVENSON

TO many members of Congress, as to working stiff and millionaires alike who dread contact with tax collectors, the Internal Revenue Service too often lives up to its caricature as an unresponsive, intrusive and vindictive bureaucracy. "The power to tax is the power to destroy," Representative Bill Archer, the Texas Republican, said last week as he unveiled legislation intended to give taxpayers a fairer shake when they confront the I.R.S. and to improve the management of the tax-collection agency. Mr. Archer, whose avowed goal is to "get the I.R.S. completely and totally out of the life of every American," may see the agency as an even more tempting punching bag than other legislators, some of whom had the temerity to say that the I.R.S. actually does a pretty good job. But his bill sailed through the Ways and Means Committee with little opposition on its way to the House floor, where it is likely to pass with an overwhelming bipartisan majority.

After some hesitation, Democratic leaders on Capitol Hill decided to support the bill. So did President

because Congress tried to make the system fairer, or to use it to encourage some social or economic good, or to make it more responsive to the needs of a constituency, whether a narrow special interest or a broad class of taxpayers. And once a tax break enters the code, its beneficiaries are loath to give it up; just listen to the hue and cry whenever eliminating the mortgage-interest deduction comes up.

But the more complicated the tax code, the more ways there are to interpret what is acceptable and what is a scam. That reality provides a good living for legions of accountants and tax lawyers, but it also imposes on the I.R.S. a role as enforcement agency as well as tax collector. A system that is based on voluntary compliance, and which gives taxpayers wide leeway to calculate their own tax liabilities, could hardly function without some kind of cop on the beat.

The Blood Trail

However menacing the I.R.S. might be, there are plenty of taxpayers who find advantage in a tax code of an organic nature, one that changes to fit changing economic and social circumstances. And Congress's enthusiasm for assailing the easy target presented by the I.R.S. is itself a recognition that changing the agency is much easier politically, and to defenders of the progressive tax system perhaps more effective as well, than adopting a tax code that wouldn't require such an intrusive enforcement agency.

"For all our whacking on the I.R.S., the blood trail comes back to us," said Senator Bob Kerrey, the Nebraska Democrat, who was co-chairman of a bipartisan Congressional commission on the tax agency.

The problem is hardly a new one. In his new book, "The Decline (and Fall?) of the Income Tax," Michael J. Graetz, a professor at Yale Law School, tells of how Alexander Hamilton, the country's first Treasury Secretary, persuaded Congress in 1791 to place a tax on liquor, not to raise revenue but to encourage "social discipline."

"Politicians have been tinkering with the tax system ever since," Mr. Graetz wrote. However well intentioned, such tinkering frequently creates unforeseen complications that are then addressed with, yes, more tinkering. The introduction of joint filing for married couples in 1948, for example, effectively created a bias against single filers, which was addressed in 1969 through the introduction of what became known as the "marriage penalty," which is now biting the growing numbers of two-income couples particularly hard — and which Republicans are now proposing to repeal or to scale back.

The last attempt to streamline the tax system came

Continued on Page 4



Everybody hates the I.R.S. Almost as much as the alternative.

Clinton, who had fought it — primarily because it would dilute executive branch authority over the I.R.S. — but reversed course as the political wind behind the legislation turned into a gale. His surrender all but insured that the measure would become law after the Senate takes up similar legislation, probably early next year.

Yet for all the crowing on both sides of the aisle about strengthening taxpayers' rights, there was also grudging acknowledgment that fixing the I.R.S. is the easy part, and that the real problem lies in the byzantine nature of the tax code itself. Over the years, Congress has found it easy to increase the system's complexity; the tax cut enacted last summer, for example, tripled the number of tax rates on capital gains and established a bewildering array of retirement and college-savings incentives. But Congress has rarely found the will to untangle the knots it creates.

Most of the code's complexity, of course, is there

Tentative Global Profile

China Exports Its Own Uncertainty

By SETH FAISON

CHINA exports so much to the United States that at times it can be hard to find a pair of shoes, a toy or an electrical appliance in an American department store that does not say "Made in China."

Yet China-made, most of the time, does not really mean Chinese. The goods that China ships out by the boatload do not look or feel Chinese. Unlike Italian fashion, French wine or American movies, most Chinese exports have nothing to do with Chinese culture. They are simply low-cost things that, as far as a buyer is concerned, could as easily have come from Madagascar.

As its exports suggest, China cuts a strangely tentative global profile for what is arguably the world's oldest civilization and unarguably its biggest emerging power. This is reflected in its leader, President Jiang Zemin, who arrives in the United States today for a weeklong visit, and in much more about China.

Take culture. China's historical contributions to the world are there all right, beginning with ancient innovations like paper and

China's leader comes here symbolizing its inferiority complex rather than dynamism.

gunpowder. But the highly visible, truly Chinese cultural exports of today are essentially limited to drawing-room chinoiserie and takeout cuisine.

The reason is evident. China is poor and old. Its culture is conservative, glorifying virtues like patience, social grace and education. These are hard sells in an age more interested in youth and sex appeal.

As he tours the United States this week, Mr. Jiang no doubt would like to appear to be the head of a dynamic nation poised to lead the world in the next century.

But China's role in the world, even as it grows economically, seems likely to be circumscribed by its the country's uncertainty about itself.

Outsiders often find China impenetrable, blaming its complex language or the Communist legacy that keeps the nation secretive and closed to outsiders. But another explanation lies in the misty nature of Chinese culture. Among the elements that compose China's complicated psyche today, two



An inward-looking culture: ancient, life-size terra-cotta soldiers in Xian.

stand out: its insular, self-satisfied attitude, rooted in the ancient Chinese belief that the nation lay at the center of the world; and the deep sense of inferiority that came with the modern realization that China was actually far behind most of the developed world.

Those two conflicting attitudes coexist in the minds of most Chinese, forming a cultural burden that is hard for Americans to grasp.

In the ancient world, Chinese emperors were accustomed to thinking that China was at the center of the universe, surrounded by tributary states like Japan, Korea and Vietnam. The illusion melted when Western gunboats turned up in China 150 years ago.

China's history over the past century and a half is a story of trying to come to terms with the West. Major political transitions keep mixing Western ideas with Chinese reality: The old imperial system fell to a republican government run by warlords; that fell to a socialist system run by the Communist Party; that is now falling to a capitalist system run by the Communist Party.

Self-Absorbed

After this long and involved progression, Chinese society favors the practical, shuns the romantic and is still far more interested in itself than in anyone else.

"Chinese seldom look at other cultures on their own terms, but always compare them to China," said Zha Jianying, author of a book on popular culture in China. "Why should the world care so much to learn from a culture like that? You can admire or borrow certain achievements, but still not feel attracted by its attitude, which is so self-centered."

Tibetan culture seems to have drawn more passionate adherents in the West in recent years than Chinese culture has — consider Tibet's current vogue in Hollywood.

This fascination may be partly attributable to Tibet's compelling political profile as an occupied land under Chinese domination, but it probably also stems from admiration for its intense, mystical religious devotion, a character lacking in Chinese culture.

Confucianism is still at the root of Chinese culture. And its teachings of obedience, social ritual and respect for elders are clashing with more modern notions of flexibility and directness, leaving many Chinese conflicted and uncertain.

Mr. Jiang personifies this uncertainty. Although 1997 has been the crowning year of his career — he emerged as China's undisputed leader after the death of Deng Xiaoping last February, and presided over a seamless recovery of Hong Kong — he is still

Continued on Page 3

Asian Crash

As markets rose, cash from around the world flowed to the Asian Tiger. But the tiger proved to be made out of paper.

By David E. Sanger

3

Blaming El Niño

Of salmon and sea lions, and the Weather Channel.

By Timothy Egan

2



South African Dilemma

Another country's struggle with affirmative action.

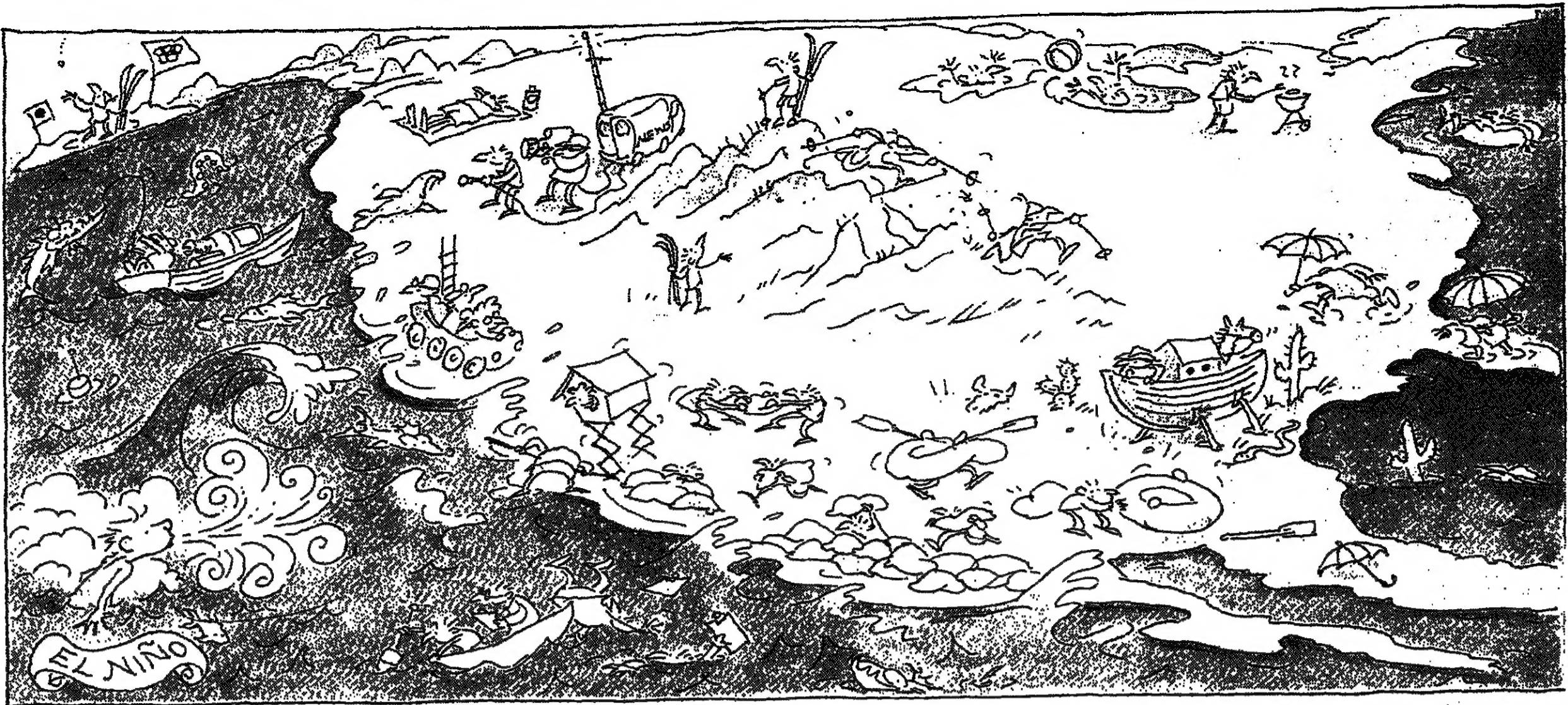
By Suzanne Daley

3



The Nation

Weather at 11, and More or Less All Winter



By TIMOTHY EGAN

ARICH man this winter may be the one who purchased futures in sand, roofing material and Midwestern grain last summer. Not that there are looming shortages. But enough people think El Niño, the perfectly normal but obsessively observed warming of the Pacific Ocean, will cause such an epic unsettling of winter weather this year that there is already a run on all sorts of things usually taken for granted.

Try hiring a roofing contractor in California; it's a three-month wait in some places. Snow is supposed to be scarce in the places where it is most wanted: ski resorts in the northern Rockies and Nagano, Japan, site of the 1998 Winter Olympics. At the same time, heating oil prices are flat, in large part due to forecasts of a comparatively balmy winter in the northern half of the United States.

But what happens if California is dry, the Northeast is cold, and the jet stream carpet-bombs the Rockies in snow — if there is, in other words, a normal winter? A whole army of climate predictors, web site producers and politicians may have to find new indoor pursuits.

El Niño is real, no question about it. Temperatures in the eastern Pacific in August and September were higher than any recorded in 50 years. And that mass of warm surface water, radiating on infrared weather maps like the coals of a fake fire, is now about the size of Canada. Yikes!

Been There

But even if it looks a bit outsize this year, the phenomenon — basically, a change in the normal east-west flow of trade winds across an ocean that covers nearly a third of the earth's surface — has been around perhaps since the time that humans stopped dragging their knuckles across the ground. Since 1950, there have been 13 appearances of The Kid.

What has changed this time around are technology

and the forecasting business, which go together. For the first time, scientists from all sorts of Government agencies and their less-well-trained but better-dressed colleagues at TV weather departments are making rather precise predictions about what this El Niño is supposed to do. And helped by such Niño-related phenomena as warm-water fish like marlins being caught off the normally frigid Northwest coast and wildflowers busting out in the Baja desert, it's a ratings winner.

Here's what they predict for the United States this winter: high winds, pounding surf and sheets of rain for much of California — hence the run on sandbags, tarps

El Niño is coming! It'll drown California! It'll ruin the Olympics! It'll kill seals! It's already making everybody weird!

and new roofs. The Northwest will be warmer and drier — bad for salmon, good for people whose melancholia is weather-influenced. Parts of the Rockies will be snow-starved, ditto the Great Plains, and not as cold. The South is a tossup, except Florida and the Gulf Coast, which are supposed to be wetter than usual. The Atlantic Coast and the Northeast will be warmer, with less snow.

All of this is speculation, of course. But it is bolder and more pronounced than ever before, lending itself to headlines and news accounts that sound like 1950's sci-fi films. "Word's out that El Niño is coming," The San Francisco Examiner announced in a fairly typical article last week. "Not just any El Niño, but the biggest, baddest El Niño to mosey up the coast in 150 years." An article in The San Francisco Chronicle carried this large-type

comment: "The cry has gone out: El Niño is coming, El Niño is coming."

It is not just journalists and weather forecasters generating the storm of superlatives. Also joining the choir are politicians, psychiatrists and scientists whose usual idea of a daring exchange is to share cartoon lines from the "The Far Side."

Rain in Southern California

At an El Niño "summit" this month in Santa Monica, Calif., the Federal Government's top oceanographer issued some dire warnings. Ants Leetmaa, director of the National Oceanographic and Atmospheric Administration, predicted that rainfall in Southern California would be 200 percent above normal, which would make it one of the wettest winters on record. Already, he said, temperatures in the ocean were "unprecedented in amplitude."

This prompted Vice President Al Gore, who attended the summit, to declare, "We must act before the rains begin," and then to speculate that perhaps global warming was to blame. El Niño has been a boost for both sides in the debate over what to do about emissions of earth-warming gases. One side sees the higher-than-usual warming of the ocean as evidence of human meddling in the fragile earth, the other sees Nature asserting itself at the top of the earthly order with a vengeance.

Mr. Leetmaa based his forecast on the mind-boggling array of observation material trained on El Niño, from sensor buoys bobbing all over the Pacific to satellite cameras sending back a flow of images that look pretty cool on the World Wide Web.

But for all that, he added, his forecast could be wrong. Even if the predictions are accurate, El Niño may not be all that bad. For one thing, winds from the heavily-veiled ocean have cleaned Southern California's air, bringing one of the best years to breathe in Los Angeles in 50 years.

The Northwest surely will mourn the continued loss of its Pacific salmon, but El Niño is also supposed to be hard on sea lions, the scourge of salmon. Seattle has been trying for nearly 10 years just to get rid of a half-dozen or so sea lions who do nothing but lounge around with their

mouths open at the entrance to a once-bountiful salmon entry point.

Western lands starved by drought, particularly in New Mexico and Arizona, may get full reservoirs and fresh life in parched washes. Some forecasters say Florida will get fewer hurricanes in 1998, the year of El Niño Grande. Also, few people are expected to complain about lower heating bills in New England.

Overall, the United States is expected to fare better than the rest of the world. Already, droughts in Australia, Brazil and South Africa, and fires in Indonesia are blamed on El Niño.

For that matter, El Niño can be and probably will be blamed, or credited, for almost anything, from the fate of Mr. Gore's political future to the overbearing funk of a fifth-grader. People who are making money, or careers, off El Niño are benefiting from expectations, not from real changes. Analysts have been running up the stocks of certain home repair chains, anticipating record years for hardware warehouses. The insurance industry is doing booming business in parts of the West. Commodities traders, banking on forecasts of dry days for the farm belt, are taking El Niño talk to the bank. Some farmers have sold their cattle and altered their planting schedules.

If all the Sturm und Drang does come about, it will be useful to remember that it has happened before, and long before El Niño was given its name — a reference to the Christ child, since it usually appears in the eastern tropical Pacific around Christmas — in 1895. People went about their lives, working and complaining about the weather as usual, wondering why there is no white Christmas some years, without any idea about the temperature changes in the middle of the Pacific.

And there is another comforting thought, courtesy of The Old Farmer's Almanac. For 205 years, the almanac has been forecasting the weather, based on "a secret formula devised by the founder of the almanac in 1792," as the book explains. This year, the outlook for winter is nothing very dramatic: snowfall above normal in New England, rainfall below normal in the southeast, a wet Pacific Northwest and California scheduled to get "near-normal precipitation."

Wasted Energy

Fuel Efficiency Falls, Just as More Is Needed

By JOHN H. CUSHMAN Jr.

WHEN people are rich and fuel is cheap, when the weather is cold and the economy is hot, the United States can hardly resist indulging its appetite for energy.

That was the situation in 1996, when Americans tanked up even more extravagantly than usual. Total energy use grew 3.2 percent, according to the Energy Department, outpacing the nation's economic growth rate of 2.4 percent.

Last year was the first tick upward in five years, a deviation from a long downward trend in energy consumed per dollar of economic production. But while the Energy Department expects improvement in energy efficiency to resume and to prevail for 15 more years or so, the rate of improvement seems to be flattening — just as nations concerned about global climate changes are pressuring the United States to reduce emissions of carbon dioxide, the greenhouse gas produced by burning fossil fuels.

Last week President Clinton proposed a new plan for reducing emissions by offering American businesses incentives to cut them, siding with technological optimists who say Yankee ingenuity can meet the challenge — perhaps with a subsidy.

But others say that to keep the growing American economy from pumping out more carbon dioxide, different incentives are needed. Economic behaviorists say a painful one may be required: higher energy prices. Economic regulators want tighter standards for manufacturers to produce more efficient cars and appliances.

The optimists say there are few technical

barriers to further gains in efficiency. "The trends are historical, and they don't reflect what the real possibilities are," said Stephen J. DeCanio, an economics professor at the University of California at Santa Barbara who was senior staff economist at the Council of Economic Advisers under President Reagan. But, he noted, when he and his wife shopped for new lamps, they couldn't find attractive models that took energy-efficient fluorescent bulbs.

Doing Good by Doing Better

"Today, two-thirds of the energy used to provide electricity is squandered in waste heat," Mr. Clinton said as he proposed to reduce emissions to the 1990 level over the next 10 to 15 years. "We can do much, much better."

Mr. Clinton's plan relies heavily on narrowly targeted incentives and subsidies for efficiency, and environmentalists and other nations' negotiators in talks on a new greenhouse-gas treaty said it did too little too late.

Indeed, the United States, which has 5 percent of the world's population but emits nearly a quarter of its carbon dioxide, is turning in an embarrassing performance as it falls short of earlier goals to cut emissions to 1990 levels by the year 2000.

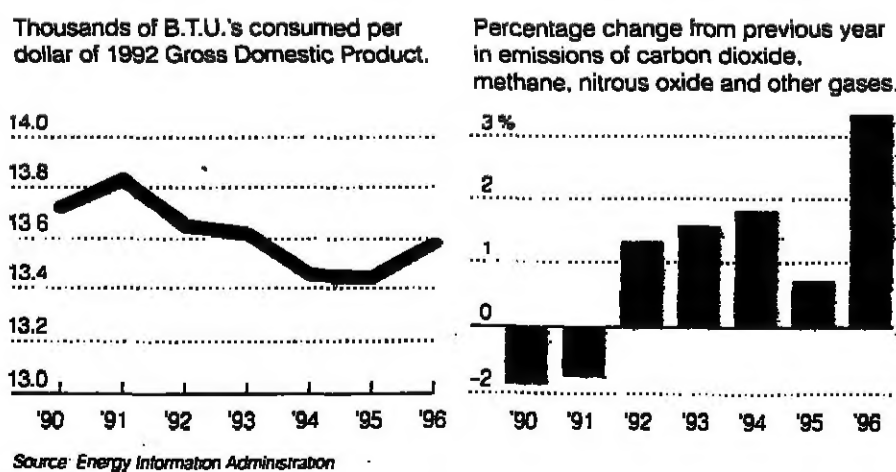
But was 1996's increase a blip on a graph, or a warning of a big problem ahead? Why did the economy suddenly become less efficient in its use of energy?

The most obvious factor was the extremely cold winter weather, a statistical oddity that made people burn more fuel to heat homes and offices.

Another way to burn more fuel these days is by driving big gas-guzzling vans, trucks and sport utility vehicles, some of which get half the gas mileage of the average sedan.

Greenhouse Gas Gauge

1996 was a boom year for energy use in the United States, as the nation reversed a five-year decline in consumption and pumped out far more greenhouse gases.



The nation's fleet of vehicles is getting less efficient, and transportation is projected to overtake industry as the main consumer of energy, but the changes would not be expected to show up as sudden spikes in one year.

Another trend is the decline in efforts by electric utilities to persuade their customers to use less power. That practice spread for a while because power companies, whose earnings were regulated, were allowed to make money by spending on conservation instead of building new power plants. But with deregulation on the horizon, that strategy makes less sense to them these days.

For most people, saving energy still

makes financial sense, whether or not they are concerned about the problem of global warming over the next century or two. Mr. Clinton gave the example of a sixth-grade class in Iowa that took out a \$14,000 bank loan and installed conservation measures that lopped 70 percent off its school's energy bills.

"The savings were so impressive that the bank decided to upgrade its own energy efficiency," he said.

The next day, before a different audience, Mr. Clinton wondered aloud, "Why doesn't everybody do it? Why don't we even have a critical mass of companies doing it?"

Most experts say the answer is the price of

Incentives to conserve energy have declined along with its cost.

fuel. "Gasoline is the cheapest liquid you can get next to water, and it's much cheaper than bottled water," said Llewellyn King, who has been publisher of The Energy Daily since the glory days of the oil cartel in the 70's, when prices rocketed and Americans went on a conservation spree.

Lindsay Audin, who founded a consulting firm, Energywiz Inc., after retiring as Columbia University's energy-efficiency manager last year, said, "Consumers do not have the financial ability to pay the upfront costs, or the financial understanding that investments in efficiency make money. Companies do not understand that energy efficiency is not a cost center, it is a profit center."

Understanding Economics

Only when energy prices go up is that sure to change, he said.

"Price matters," said Dan Becker, climate policy director for the Sierra Club, which has long called for stricter fuel-efficiency standards for vehicles.

"But Americans don't do great with amortization of costs. So it has got to be something that we know works. And the only thing we can think of that we know works is requiring that energy-saving technology be put on the things we drive, the things we use to heat our homes, the things we use to cool our food. We know that works."

The World

Reversing Roles in a South African Dilemma

By SUZANNE DALEY

THE arguments have been fierce and familiar: Affirmative action is only the smallest step toward redressing terrible injustice. Affirmative action is irredeemably divisive. Without the force of quotas, racism won't be dislodged. Quotas are anathema. And so on, in a debate that is not even close to resolution.

But in South Africa, the debate is new. And while the words sound like the struggle over racial preferences in the United States, the stakes in this nation, 83 percent non-white and hardly practiced in antidiscrimination law, make the American experiment look puny. At risk, many here believe, is South Africa's very survival as a multiracial society.

If the pace of change here is too slow, it might lead to anger and frustration among nonwhites, tipping the country into the kind of violence that has devastated so many African nations coming out from under white dominance. Yet too much affirmative action and white South Africans, seeing no future for them here, might leave in a brain drain that most black leaders admit would threaten South Africa's future.

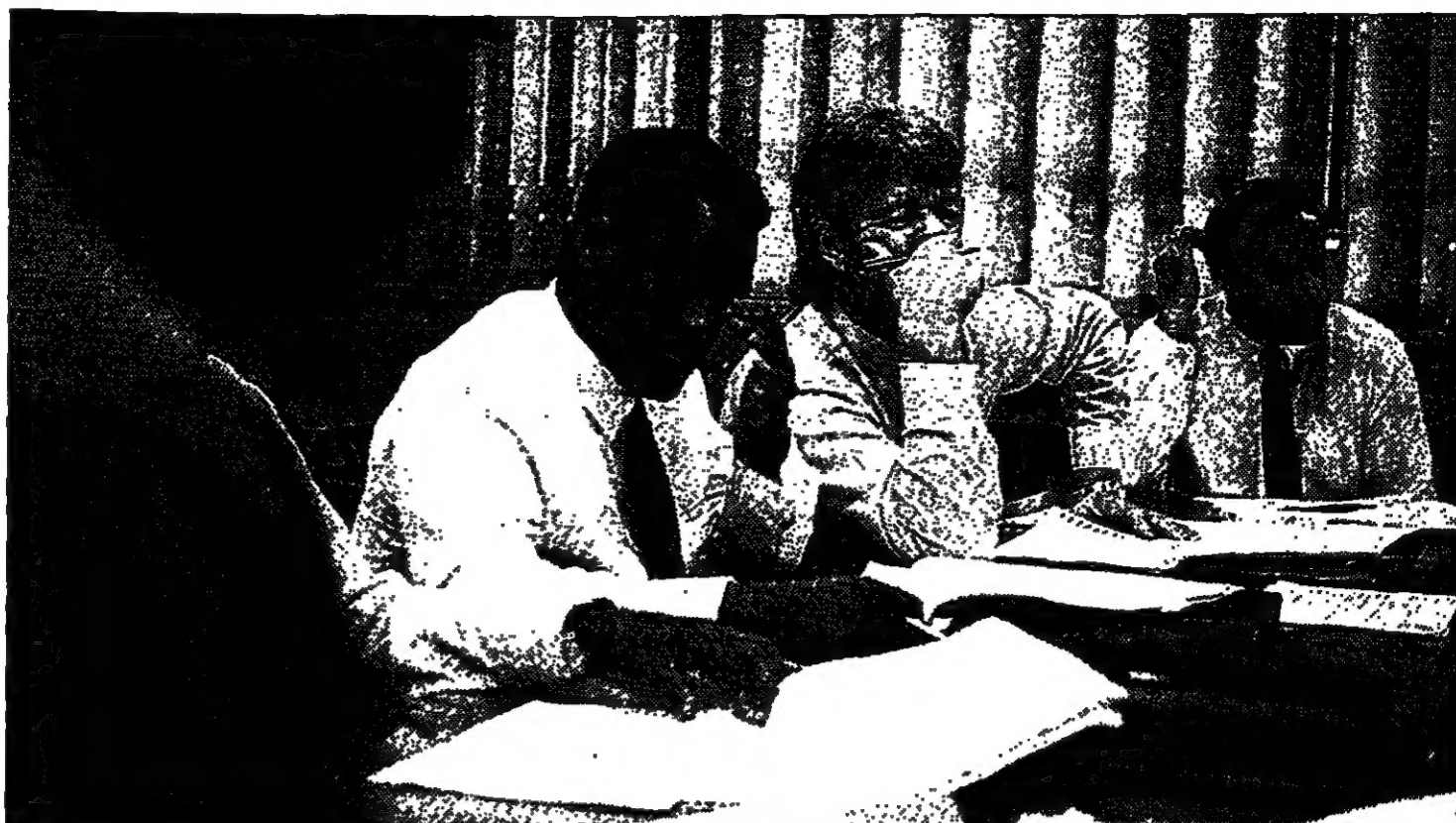
What people on all sides of the debate do agree on is that private industry's early efforts at leveling the playing field after 40 years of apartheid have been a disaster.

The tension in corporate corridors is palpable. Eager to hire any black-South African who had an education and job experience, corporate South Africa — an almost all-white boys club — went on a buying spree after President Nelson Mandela was released from prison in 1990.

Soaring Careers

Trying to anticipate the change that a new, black-majority Government would bring, companies hired and poached from each other in a frenzy that had a limited pool of black managers and professionals job-hopping at a staggering rate. With each move, there were new cars, new bonuses, promotions and inflated salaries. There was, however, little or no training.

Not surprisingly, the backlash has been swift. Whites complain that blacks who are underqualified make much more money than they do. Recent surveys have shown a growing number of chief executives officers declaring that affirmative action isn't working. And progress in bringing more blacks into the managerial levels of the work force has pretty much come to a standstill.



South Africa's Government has provided new jobs for blacks. Senior post office managers meeting in Johannesburg last week.

into the managerial levels of the work force has pretty much come to a standstill.

"The news is that there is no news," said Angus Bowmaker-Falconer, who compiles a yearly survey on employment equity in association with the University of Cape Town Graduate School of Business. This year, he said, "Things look pretty much as they did two years ago."

The subject of affirmative action is likely to split almost any gathering along racial lines, often infuriating blacks who cannot believe that with so much injustice to make up for, whites aren't embracing programs meant to redress inequality.

In South Africa, it is not an issue of the majority agreeing to help out a minority group. Here, it is the vast majority of this country's citizens who were systematically denied education and jobs. And it is this majority that now controls the Government.

Indeed, the Government is on the verge of unveiling affirmative action legislation. But it has taken a long time to study the issue and

has chosen a path that most consider a careful balancing act — a carrot-and-stick approach that does not include quotas.

There are some who question whether affirmative action even needs to be a race-based policy. Rachel Jafta, who lectures on economics at the University of Stellenbosch, suggests that any policy that reaches out to poor rural areas or bolsters training and education is already furthering affirmative action goals, without bringing in any racially divisive component.

Side Effects

"We have to weigh the costs and benefits," Ms. Jafta said. "There are so many side effects with race-based programs. We could be jeopardizing a united South Africa."

Others argue that South Africa may not be able to afford the costs of affirmative action.

Tony Leon, the head of South Africa's liberal, largely white Democratic Party, which has always opposed apartheid, says

that the costs are potentially enormous. Packages already given to whites to induce them to leave Government jobs, he said, had cost the country more than \$200 million.

Mr. Leon is also concerned about nepotism creeping in under the flag of affirmative action in the redistribution of government jobs. In some areas, he said, what has happened is not affirmative action but a full family employment act. "What you have is literally the wives, the cousins and the sisters getting jobs," Mr. Leon said.

Certainly the Government, while not following any set affirmative action policy, has been a tremendous source of new jobs for blacks. In some areas, it appears to have gone beyond what the law allows. For instance, earlier this year, a lower court decided that a Justice Department policy to reserve about 30 senior jobs for nonwhites was illegal.

Under the Government's new legislation, each business, even relatively small ones, will be expected to file an affirmative action

The affirmative action debate sounds a lot like America's, but the reality isn't.

plan outlining targets. Each will be reviewed for reasonableness. For instance, since there are few black certified accountants in South Africa, a company might be excused for suggesting small numbers in this area.

"We don't expect corporations to grab someone from the bush and put him in the boardroom," said Loyiso M. Mbabane, the Director of Equal Opportunity from the Department of Labor.

Rewards and Fines

Companies that do well are expected to have an advantage in getting Government contracts. Those that don't make progress could be fined.

Still, some affirmative action advocates say the Government is being too soft in not requiring quotas. They point out that interest in the issue seems to depend on the Government's own action in the area, and that business simply reads the Government's signals. Before the election, for instance, there was lots of interest because it was widely believed that the new Government would swiftly impose an affirmative action law. In one survey of 65 chief executive officers, more than half said it was the top "strategic issue facing the new South Africa."

After the election, when the Government did not move immediately to institute new laws, affirmative action quickly slipped to seventh on the list. The most recent surveys show it back up to No. 2.

Certainly apartheid left a footprint that will be hard to sweep away. Most of South Africa's wealth is concentrated in the hands of whites, who make up about 12 percent of the population. At the same time, 70 percent of all black people live below the poverty line. About 50 percent are illiterate. Even after all the hiring of the last few years, blacks make up only 4 percent of the managerial ranks in private companies.

"If you say leave it to the goodwill of the people," said Bonang Mohale, a board member of the Black Management Forum, a nonprofit advocacy group, "it will not get done."

China's Cultural Profile

Continued From Page 1

extremely tentative, apparently feeling the need to consult widely with colleagues before taking positions on issues large and small.

With the Chinese leadership still highly secretive about its workings, Mr. Jiang's visit this week will probably offer American officials and citizens their first good look at him. Up to now, Mr. Jiang has been known primarily for his extreme caution in public, where he often reads from a prepared text even when he is regurgitating the party line. From Mr. Jiang's example one may conclude that the Chinese system rewards leaders for back-room consensus-building and scheming more than any ability to wow a crowd.

On the one hand, he comes off as smug and imperturbable, as though he cares only about matters Chinese and is quite prepared to ignore international concerns about human rights, the environment or trade disputes.

On the other, however, are hints of insecurity. Mr. Jiang's demand for the ceremony that awaits him at the White House — Chinese officials insisted on a 21-gun salute, the red carpet and a state dinner — attests to his need for formal recognition. He was badly miffed two years ago when, during a visit to the United Nations, the Clinton Administration tried to arrange an informal meeting at the White House. Mr. Jiang now is finally getting what he wants.

Today, China can look to Westerners like a fast-growing behemoth with a locomotive economy and a militaristic regime determined to get its way by any means necessary, even through campaign contributions abroad.

Such an exaggerated view overlooks many essential features of Chinese life, including overwhelming poverty, a disorganized economy and a fragile political system. It also obscures deeper cultural and social fissures that keep China mired in self-obsession and a sense of victimization at the hands of foreigners.

"They're caught at kind of the intersection of being a victim on the one hand and a major country on the other," said Kenneth G. Lieberthal, a China scholar at the University of Michigan. "Victims preach morality, always play a weak hand, always ask for you to accommodate to them to make up for past wrongs. Major countries have broad responsibilities, shared responsibilities for how the region and the world fare. The Chinese can't quite figure out where they are on this."

By DAVID E. SANGER

WHEN the history of the Asian crash of 1997 is written years from now, people will probably have long since forgotten the accusation by Malaysia's paranoid-sounding premier, Mahathir Mohamad, that the source of the problem was a Jewish conspiracy to level Asia's booming economies. By then it should be clear whether Senator Alfonse M. D'Amato, the New York Republican and chairman of the Banking Committee, was accurate or blowing smoke when he declared that the dramatic fall of the Hong Kong market Thursday was a "lesson for all freedom-loving people around the world" of the dangers "now that the Communist Chinese have taken over" Asia's most vibrant center of capitalism.

By then, historians may have concluded that John Kenneth Galbraith's diagnosis was closer to the truth, even though he was talking about the causes of another market crash, a bigger one, in 1929. Then, too, there was a search for conspiracies and plotters. But in the end, Mr. Galbraith concluded, the real cause was a delusional hubris about America's economic power, fueled "by the seminal lunacy which has always seized people who are seized in turn with the notion that they can become very rich."

There has been a lot of that hubris in Southeast Asia for the better part of a decade now — and it has led a lot of very smart people, investing cash drawn from around the globe, to do a lot of stupid things. With every book entitled "Asia Rising," with every news article projecting stupendous economic growth, with every talk show about the decline of the West, the markets climbed higher.

Virtually everyone playing in the markets knew that the banks in Thailand were lending money for office towers no one was actually occupying. They knew that Malaysia was building a Silicon Valley long before it had trained engineers to fill it. They knew that investors in Hong Kong were lining up to buy shares in "Red Chips," mainland Chinese firms whose only real asset was that the company's president was the cousin of someone in the Chinese leadership.

Follow the Broker

But when the market keeps rising, when your broker keeps repeating that the next century belongs to the Asian Tigers, it is easy to justify pouring in more and more cash.

That is why the first victim claimed by the currency speculators — Thailand — never had a chance. The Thais had become the weakest link in the chain, forever finding excuses not to implement the austerity measures that were desperately needed, like closing more than 50 banks linked to prominent politicians.

Crashing in Asia Paper Tigers, Paper Miracles



At the Pacific Exchange in Los Angeles, Hong Kong's plunge had depressing effects.

"These guys are in a state of shock," Lee Kuan Yew, the founder of modern Singapore, said recently. "They can't believe it happened to them. They thought only sleepy Latin Americans had currency crises."

Then other nations throughout the region began explaining why they were different from Thailand — more disciplined, less corrupt, better regulated. It was a little like

listening to a New Yorker explain to himself why the mugging that just went down three blocks away could not happen in front of his own building.

In this case, the muggers were emboldened. Speculators make their fortunes sniffing out hidden inconsistencies between the value of a currency (or a sky-high stock market) and the underlying fundamental

strengths of the country. Then they plunge into that chasm, betting billions against the local currency or stocks and forcing the government to choose between preserving their exchange rate (usually by jacking up interest rates) and saving the economy.

Once Thailand surrendered, calling in the International Monetary Fund for a bailout, Malaysia and Indonesia were next. The Malaysians fought back, though Mr. Mahathir was forced to kill off his expensive pet projects; the Indonesians surrendered.

Model Economy

What happened in Hong Kong last week, though, was something completely different. Malaysia and Thailand are still fundamentally poor nations; Hong Kong, while tiny, has a per capita GNP that rivals the United States. Its markets are the biggest south of Tokyo. It has long been the West's idea of a model economy for the rest of Asia — no trade barriers, little corruption, well-funded banks, a Government with plenty of financial reserves to battle the speculators.

So why did the speculators attack? Because once everyone else in Southeast Asia devalued their currencies, making their goods cheaper, Hong Kong suddenly looked like a phenomenally high-cost place to do business. (Just count the empty hotel rooms.)

While the Government spent \$3 billion to \$5 billion battling the speculators, the prospect of a long siege wiped out a lot of that remaining hubris. "I lost the equivalent of five Mercedes," one investor whimpered. The red chips got hit the hardest; some lost half their value over the past month.

And halfway around the world, the ripples hit quickly. By late Thursday, Mexico and Brazil were falling, too — in a selloff that only got worse on Friday — for fear that they are the next natural targets.

But as Treasury Secretary Robert E. Rubin, who knows from his long years on Wall Street what it feels like to be on the wrong side of a bear market, said, "markets go up and markets go down," and sooner or later Asia will rise again.

The big question is what happens to the man who can't wait: President Jiang Zemin of China.

Mr. Jiang, who arrives in the United States today to begin a weeklong state visit, has staked his political future on his ability to bring the Chinese economy into the 21st century. That means shuttering hundreds of thousands of state-owned enterprises that lose billions of dollars a year and turning the survivors into world-class competitors.

The problem is that to do so requires billions of dollars in capital. Much of it was going to come from China's new pearl, Hong Kong.

"Hey, they wanted to take back the center of Asian capitalism," the American head of a large brokerage in Hong Kong said Friday morning. "Well, here it is. All his."

Ideas & Trends

Brave New Power Grid

By RICHARD PÉREZ-PEÑA

WOULD offering a bird-feeder coax people into dumping the electric company they've known all their lives for one they've never heard of? How about a spruce sapling? Or a claim that the new company's power is "greener"?

Several power companies think so, resorting to such marketing ploys in a pilot program in New Hampshire that has allowed 15,000 families and businesses to choose their supplier since May 1996. And judging by the success new competitors have had in luring customers away from established utilities, the gimmicks, advertised in mailings and on radio, may be working.

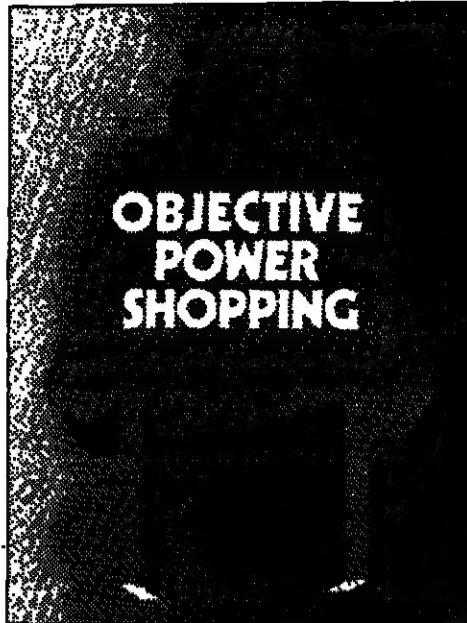
New Hampshire's experience may be a taste of the future for much of the country, as states dismantle the nearly century-old system of electric monopolies. Several states, including New York, California, Pennsylvania and Rhode Island, will phase in utility deregulation during the next several years, and several others, including Massachusetts, New Jersey and Connecticut, are expected to follow soon after.

For the first time, regional utilities will be able to cross each other's borders and vie for each other's customers. Power wholesalers are expected to begin entering retail markets, taking on the utilities that have been their customers. And new retail companies will probably form around the country, promising to link consumers to the cheapest, cleanest or most reliable power available.

Caution: Confusion Ahead

Policymakers hope this new competition will translate into lower prices, much as it did in the long-distance telephone market. But the long-distance experience offers some cautionary tales. Breaking AT&T's grip on the market has led to lower rates, but at times has also led to less reliable service and a barrage of competing claims about price and service that are all but impossible for most consumers to gauge.

"I don't think most people have a clue whether they're really getting the best deal on long distance, and I'm afraid that's where we might be headed with electric competition," said Susan K. Weinstein, chief utilities analyst with the American Association of Retired Persons. "In New Hampshire, companies were touting green power that turned



Electric companies are using ads to compete for consumers in New Hampshire.

out to be no greener than the next guy's power."

Another lesson from the long-distance wars is this: most people have stayed with AT&T, perhaps because in the end the three major competitors' prices don't vary much. Similarly, many analysts believe that in the face of bewildering offers by rival utilities, consumers will opt for the devil they know rather than choose, say, Enron or Sitr, giant energy companies that want to become retailers but are relatively unknown to the general public.

"I think it's very difficult to predict what will happen," said John F. O'Mara, chairman of New York's Public Service Commission, which plans to phase in competition over the next four to five years. But, he added, "a lot of people will want to stay where they're comfortable."

In the New Hampshire experiment, however, 70 percent of customers switched in the first six months. That may be because the old utilities were small and did not carry the brand-name power of a Consolidated Edison. Or it may be because new entrants seriously undercut the old monopoly prices (competition eventually forced rates down about 20 percent). Or it may be that a lot of energy companies were eager to use New Hamp-

shire as a test case and pushed harder there than they will elsewhere. Or it may be none of the above.

"One thing we've learned here is that you can sit around and talk about these things endlessly but until you try competition, you really have no idea what it's going to look like," said Robert J. Frank, a lawyer with the New Hampshire Public Utilities Commission. "The only thing you can be sure of is confusion."

Environmentalists are encouraged that many of the companies' pitches in New Hampshire focused on claims, some of them well-founded, that the power they were offering was generated with less pollution than their competitors'.

"The choice of a power supplier could turn out to be the single most important environmental decision an individual consumer can make," said Ralph C. Cavanagh, energy program director for the Natural Resources Defense Council. Power plants, the group says, produce two-thirds of the nation's sulfur dioxide emissions, one-third of the carbon dioxide and one-third of the nitrogen oxide, making them leading contributors to acid rain, smog and the greenhouse effect.

Mr. Cavanagh predicted that many consumers would jump at the chance to choose cleaner power sources, even if it meant paying a bit more, and that power companies would be quick to take advantage of that fact.

New Wrinkles

Another new wrinkle could have electric companies, like long-distance providers, offering lower rates at off-peak hours, when it is cheaper for them to supply power. Few homes and businesses have meters that can track usage by the hour, but the promise of lower rates could make it worthwhile to install such meters.

While some consumer advocates fear the confusion that competition will bring, others fear there will not be enough competition.

In the long-distance business, nearly all the cost to the provider is in equipment that is already in place. Actually supplying the service — connecting the calls — costs almost nothing. As a result, it's possible to make a fairly healthy profit on each new customer, making it worthwhile to pursue that customer aggressively.

Supplying electricity is expensive by comparison. Each additional customer means, in most cases, burning more fuel. And most analysts believe competition will mean slim



Workers repairing lines in California, a state set to deregulate electric monopolies.

profit margins, leaving little money for chasing customers. "In the electric market, the individual residential customer is not going to be that attractive to the power companies," Ms. Weinstein said. "They may decide it's only worth it to go after the big commercial customers."

New Players

That's when another new player, a company called an aggregator, could enter the market. An aggregator would sign up consumers, promising to find them the best rates for a small fee. Then it would bundle

them in groups of hundreds or thousands, and offer their business to power companies.

But so far that is no more than a prediction. In New Hampshire, aggregators failed to find a niche because so many companies wanted to compete directly for small customers.

For now, all eyes are on California. On Nov. 1, 70 percent of the state's residents and businesses will be free to choose their electric supplier for service starting Jan. 1.

"No one is quite sure what is going to happen here," said Mr. Cavanagh, who is based in San Francisco. "But it's going to be interesting."



An I.R.S. worker sorting returns in 1985. The agency's service centers still use an antiquated system.

Tax Code's Whipping Boy

Continued From Page 1

In 1986, when Congress closed a host of loopholes and lowered top tax rates but never seriously considered adopting a new approach to taxation.

Today Capitol Hill is awash in competing proposals to "scrap the code," as the latest Republican rallying cry puts it. The House majority leader, Representative Dick Armey of Texas, is pushing for the adoption of a single-rate flat tax that would require a tax return no bigger than a postcard, an approach that Steve Forbes championed in his campaign for the Republican Presidential nomination in 1996.

A National Sales Tax

Mr. Armey has been staging debates around the country with Representative Billy Tauzin of Louisiana, who is pressing for a national sales tax to replace the income tax. That approach, which is also favored by Mr. Archer, is one that would allow for total abolition of the I.R.S.

Not to be outdone, Representative Richard A. Gephardt of Missouri, the Democratic leader and probably the leading challenger to Vice President Al Gore for the Democratic Presidential nomination in 2000, has a plan that he says would put 75 percent of taxpayers in a 10 percent tax bracket.

But each proposal to dump or to radically alter the progressive income tax system has economic or political credibility problems. A flat tax system, with no deductions, would require the abolition of cherished tax breaks like the mortgage-interest deduction and would

tend to shift the tax burden from the wealthy to the middle class.

A national retail sales tax would create huge incentives for cheating, while falling most heavily on people at the lower end of the income scale. And even if the problems of these plans could be overcome, as advocates of each insist is possible, the logistical difficulties of moving from one tax system to another in an economy of the size and complexity of the United States could prove insurmountable.

Moreover, Republicans are also sorely tempted by the political appeal of just continuing to push through tax cuts under the current system. That temptation is growing along with the likelihood that in the next few years the Federal budget deficit could be wiped out by the strong economy, further freeing Congress from the constraints of fiscal austerity.

So while the debate about fundamentally changing the tax system seems likely to rage on at least through the next Presidential election, for now the country is stuck with the Internal Revenue Service and the system, based largely on voluntary compliance, that it administers.

For all the very real horrors that have been inflicted on taxpayers who find themselves in disputes with the I.R.S., the vast majority of Americans will never have any more than routine dealings with the tax collector, however much they hate having to turn over their money to the Government.

And tax officials proudly point out that the level at which individuals voluntarily pay their full tax bill — about 83 percent, a rate that has remained steady for two decades — appears to be the highest in the world.

Humoral Sap

Ancient Cures for Open Minds

By RICHARD A. SHWEDER

ONE of the surest ways to bring a luncheon conversation to a halt at the National Institute of Mental Health in Bethesda, Md., is to suggest that phlegm, bile and wind are neurotransmitters. So why then did the institute recently send biomedical scientists to India to confer with Ayurvedic physicians, who still believe that ill-sorted humors of the body cause unbalanced minds?

Despite some recent concerns over Government funding of research on alternative therapies and scoffing by skeptics, an estimated one-third of Americans are using these treatments, despite their doctors' disapproval.

Humoral medicine is a case in point. Although it was discredited in the 17th century in the West, it has made a comeback in spas, health food stores and healing centers across the country, in botanical extracts, aroma therapies, purges and holistic diets.

There is even a curiosity among some N.I.M.H. scientists, who are concerned about the high cost of drug development and who acknowledge the prevalence of psychosomatic illness. They are reevaluating alternative medicine as a body of knowledge rather than dismissing it as quackery.

Culinary Process

Humoral medicine had a long run in the West, starting in ancient Greece. In 159 A.D. sick gladiators sought out Galen, who drew on medical theories from the time of Hippocrates.

Here is a deconstruction of the doctrine: There are four basic humors of the body (phlegm, black bile, yellow bile, blood), four basic qualities of sensory experience (hot, cold, wet, dry) and four basic ingredients of things going in and out of the body (fire, air, water, earth). Health means harmony, and fine-tuning is possible. If the body is dry, make it wet. If it is hot, cool it off. You are what you eat, and also what you excrete.

The essence of humoral thinking, according to the historian R. M. Yost, Jr., is the idea that the human body contains juices and fluids whose ratios regulate health. When there is an

excess of some humoral sap, the body heats up, reduces substance, separates the boiled from the unboiled parts and evacuates the stewed remains. The aim of the humoral physician is to assist this natural culinary process with warmers and coolers and to facilitate the evacuation process with purges, emetics and bleedings.

Although Hippocrates is often described as the father of medicine, Agnivesa, Suśruta and several other ancient South Asian physicians could easily win a paternity suit. Their brain child, Ayurvedic medicine (the science of life), is an even older version of humoral thinking.

The oldest surviving Ayurvedic text, the Caraka-Samhita, probably dates from the sixth or seventh century B.C. Buddha's doctor was an Ayurvedic physician. So was the doctor of

Now, doctors aren't laughing at bodily-fluid jokes.

Morari Desai, the Indian Prime Minister in 1979.

Official support for humoral medicine in South Asia has waxed and waned over the centuries, just as it has in the West. News of its demise at the hands of English scientists spurred its resurgence in India. Indian nationalists in the early 20th century proudly rejuvenated the science of life as proof of their intellectual autonomy. Since Indian independence in 1947, the medical wisdom of the ancients has been turned into a growth industry with Government subsidies.

There are Ayurvedic medical schools, journals, pharmacies and drug companies. Lotions, potions, massages and purges are used by hundreds of millions of Hindus, for everything from wrinkles, backaches, asthma and hair loss to impotency, senility, diabetes and schizophrenia. The old remedies, preferably prescribed in Sanskrit, are thought to be closer to the truth, and are popular in contemporary Indian society, even among the Westernized elite.

In recent decades the elites in the West have been catching on, once again. One measure of this is a recent scientific mission organized by Dr. Stephen H. Koslow, director of Neuroscience and Behavioral Science at the National Institute of Mental Health. Dr. Koslow led an expedition of Western psychiatrists and pharmacolo-

gists to India to examine Ayurvedic medicine as a potential source of knowledge.

The N.I.M.H. delegation took a trip to Kerala to visit the Arya Vaidya Sala (the Pure Ayurvedic Doctor's Clinic), which uses Ayurvedic methods. There, hysteria and chronic headaches are treated by streaming medicated milk onto the patient's forehead. Asthma, inflammations of the vertebrae and other afflictions associated with dryness, desiccation and an excess of wind are counteracted with a gentle wet massage.

In the gardens of the clinic the medicinal roots and shoots of the jungle are cultivated by a botanist, who expounds the doctrine of signatures, which he attributes to Galen. "God created plants," he says, "as a provision for the health of human beings, and left a sign on them — some feature of their shape, color, habitat or behavior — for human beings to decipher." He points to a plant shaped like an ear that is a cure for ear aches.

In the factory of the Kerala clinic an Indian nuclear physicist oversees a major industrial apparatus where they distill, standardize and mass produce 2,500-year-old legendary decoctions. An M.B.A. from the Wharton School of Business takes care of the accounts. As the West lies down with the East, there are not enough beds in the clinic's nursing home to accommodate the international demand for its medical regimes.

Why Now?

Why is it now that humoral medicine, with its antique remedies from out of our past, has returned in the United States? It is the bet of some neuro-pharmacologists at N.I.M.H. that Ayurvedic practitioners know something about barks, roots, leaves and other botanical provisions for human beings that they can no longer afford to overlook.

It is also a response to recent research on the power of mind-body effects. It is the bet of some psychiatrists at the institute that Ayurvedic healers know a lot about the salubrious reality of placebo cures.

And what do they say in India when the institute comes knocking on their doors? They say it is good to experiment with things to touch, smell and eat that are tailored to your own personality, that are less biologically shocking and invasive than a wonder drug. Any medical tradition that is 2,500 years old, they say, and has a half a billion enthusiastic clients must be doing something right.

ECONOMY

Entering the Brave New World of General Motors

By ROBYN MEREDITH

SPIN the steering wheel of a Chevrolet Lumina and the car is slow to turn. Press hard on the gas, and there's a long pause before it accelerates. And, somehow, the Lumina manages to look large on the outside and feel small on the inside.

None of this stops executives at the General Motors Corporation from feeling completely satisfied. The Lumina is making money, good money, thank you, in the treacherously competitive midsize car market. Because of its relatively low price and carefully focused marketing, the car is a favorite among price-conscious families and retirees.

"People love it," said John F. Smith Jr., G.M.'s chairman and chief executive. "It's a beautiful car, it's highly regarded, it's got great customer satisfaction, it's got excellent quality."

What it doesn't have is a lot of fans in motordom. "It's kind of a rent-a-car," sniffed David E. Davis Jr., editor of Automobile magazine. "A car dealer once told me that the problem with General Motors is that nowhere in the United States is there a 14-year-old boy with tears in his eyes saying, 'Please, Dad, buy a Lumina.'"

That's O.K. with Mr. Smith. Let Chrysler dazzle buyers with racy new styling. Let Ford push out some of the hottest new trucks. Profits are Mr. Smith's mantra, not pizzazz. Because in the last analysis, his plan for completing the resurrection of the world's biggest company is to make money steadily at home while leading G.M. into the biggest overseas expansion in its history.

Since taking over in 1992, when the company lost money on nearly every sale of a car or truck, Mr. Smith has brought G.M. back from the brink. He has pared its work force and closed or sold 29 unneeded factories while shaking up a complacent culture and highly bureaucratic structure. In just five years, he has engineered one of the biggest financial turnarounds in American corporate history. Waves of red ink have been replaced by near-record profits. The company's share of the United States market has stopped shrinking and begun growing. And Wall Street has bid the stock up, about 31 percent since July alone, past levels not seen in three decades. It hit an all-time high on Wednesday of \$72.4375; it closed on Friday at \$68.0625.

Mr. Smith plans to take a quintessentially American enterprise and turn it into a company that by 2006 plans to sell more than half its cars and trucks outside the United States, up from just 43 percent last year.

And while that strategy may seem

unduly risky in a world of undulating currencies, madcap financial markets, and unsettled emergent economies, the impetus is clear: G.M.'s traditional bases — the United States and Europe — are slow-growth markets where profits go to companies that cut costs best. So G.M. figures it has no choice but to aim at foreign markets with a potential for double-digit growth.

In G.M.'s upper echelons, the talk is not so much about the future at home as about the future in Brazil, Poland and China. Just last week, the company expanded its plans to build Buicks in Shanghai. It has just produced a "global Cadillac," to be sold in more than 40 countries, and its Opel division in Europe is busy sending designs to new factories on three continents.

But is G.M. up to the job? Just how deep has its turnaround been? Has it cut costs enough, breathed enough life into its suffocating culture and put the right people in place, both at home and abroad? And if the Lumina stands for the proposition that the biggest doesn't have to be the best, will that corporate realpolitik continue to sell at home, let alone around the world?

After all, G.M. isn't the only big car company to realize that the action is now in points east and south. Industry analysts complain that there are already too many factories around the world pumping out ever more cars and trucks. And what happens to G.M. when the American economy hits a wall, as it eventually must, and a recession sweeps buyers from the nation's auto showrooms?

There are some who say Mr. Smith's success has come only as a result of the strong economic expansion at home. "He has lucked into the best market in history and done not very well," said Gerald C. Meyers, the former chairman of American Motors who is now a professor at Carnegie Mellon's Graduate School of Industrial Administration. "G.M. profits are being driven by a consistently powerful market, not a consistently powerful management," added Mr. Meyers, who says he believes that neither G.M.'s cars nor its market share have improved enough to signal long-term success.

Yet most outside experts are more optimistic, albeit cautiously so.

"Give them to the year 2000 or 2001, and you won't be able to count the profits," said James E. Harbour, a manufacturing efficiency expert at Harbour & Associates in Troy, Mich., who was among the first to predict the current resurgence of Chrysler. Mr. Harbour, once one of G.M.'s fiercest critics, now lauds the company for its gains in productivity and quality.

TO be sure, the experts acknowledge that G.M. was such a basket case that even the most minimal improvements were bound to bring huge gains.

"Measured against the old G.M. standard, they're doing very well," said Maryann N. Keller, an auto analyst at Furman Selz L.L.C., a New York investment banking and brokerage firm. "Measured against where they need to be and have to be, they're still not there, and it has been five years."

The company still lags behind its peers in many important efficiency measures. Nor has it reached Mr. Smith's goal of an average 5 percent profit margin, in good times and bad, and a 12.5 percent return on net assets, a financial benchmark G.M. uses to measure how effectively the corporation uses its assets. For the first nine months of the year, G.M.'s net profit margin was 4.3 percent, and the return on net assets was running at about 10 percent.

There is also no question that some big bumps lie ahead. Its global expansion drive is already causing strains — the chairman of the company's Adam Opel unit in Germany, David J. Herten, may soon be forced out. The division has been struggling to compete in Europe while it also shoulders responsibility for the small cars G.M. sells in emerging markets. G.M. has a troubled relationship with the United Automobile Workers union, which has shown little reluctance to shut down the company during disputes.

And rivals like Mercedes-Benz and Toyota have moved into its core area of profits — the sale of sport utility vehicles, mini-vans and pickup trucks.

Still, Mr. Smith can take pride in managing a huge swing to profitability. The year before he took over, G.M. was losing an average of \$969 on each car and truck sold. Now, it is earning an average of \$769 (an estimated \$700 for each Lumina) and is on track to beat last year's total profit of \$4.96 billion. Yet G.M. is still behind Toyota, which earned more than \$1,150 per vehicle in the first nine months of 1997, as well as behind Chrysler, which had average profits of \$1,306 a vehicle in that period.

Although G.M. still hasn't fixed all its problems, David E. Cole, director of the Office for the Study of Automotive Transportation at the University of Michigan, said the company was starting to frighten its competitors for the first time in decades.

"In the next couple of years, unless some disaster happens, you're going to see a really very strong company," Mr. Cole said. "The road map is there, and it is just a matter of getting down the road."

Mr. Smith acknowledges that not all the numbers are where he would like them, but adds that "we're nowhere near finished" with cost-cutting and other improvements.

What is crucial, he and other G.M. executives say, is playing to the company's strong suits: "We need to take advantage of our size, which is our greatest strength," Mr. Smith says.

Now, G.M. is belatedly trying to act like a manufacturing company run by accountants, like an international giant run by global executives and like a consumer products company run by marketers.

In practical terms, that means using common components and processes worldwide. Indeed, the company is simultaneously building nearly identical factories in four countries: Argentina, China, Poland and Thailand.

It also means mining the giant company for talent. Mr. Smith, who is 59, has salted his top ranks with younger executives with deep financial and foreign experience. These include Louis R. Hughes, 48, who heads G.M.'s international operations; G. Richard Wagoner Jr., 44, president of North American operations; John F. Smith, also 48, no relation to the chairman, who heads the Cadillac division; and Mark T. Hogan, 46, general manager of the North American small-car group.

One of the linchpins of G.M.'s turnaround, outsiders say, is value pricing — selling cars, like the Lumina, that are more attractively priced than others in their class. The company can still make money on those cars if it succeeds in harnessing its enormous size to produce cost efficiencies. And the cars will continue to sell well, industry experts say, as long as their value offsets their inability to quicken a driver's pulse. The '98 Lumina sells for \$17,795; its competition includes the Ford Taurus, which starts at \$18,795.

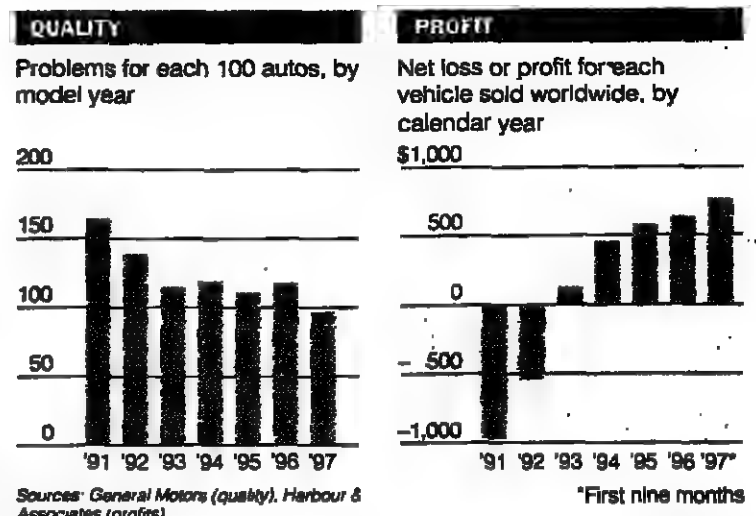
MR. SMITH is hardly the swashbuckling chief executive you might expect it would take to turn around the giant auto maker. Whenever possible, he steers clear of the limelight, and when he must give a speech, it is usually wooden yet sincere, delivered with his boyhood Massachusetts accent.

Mr. Smith started hacking away at the huge waste that for so long plagued the company, making mostly unglamorous changes that customers don't notice. It was a task for which he was well-suited. After starting as a bean counter at a G.M. factory in Framingham, Mass., he worked in G.M.'s powerful treasurer's office in New York before helping to turn around the company's troubled European operations in the 1980's.

He faced layers of inefficiencies. Buying auto parts, raw materials and other supplies account for roughly half the company's costs, but it wasn't long ago that G.M. had 27 independent purchasing centers just for North America. Mr. Smith con-

Better, but Not the Best

General Motors has steadily improved the quality of its cars and trucks, and their profitability, too. But for the 1997 model year, G.M. still lags behind the industry's quality average of 86 problems for each 100 vehicles, according to J.D. Power & Associates. And while G.M. beat Ford's profit per vehicle of \$860, it remained well behind Honda (\$1,050), Toyota (\$1,150) and Chrysler (\$1,306).



Sources: General Motors (quality), Harbour & Associates (profits). 'First nine months'.

solidated global purchasing efforts into one office, enabling G.M. to push for better deals as it bought big quantities of everything from steel to car radios — a legacy of its troubled relationship with its former purchasing chief, José Ignacio López de Arriortua. The efforts saved \$8 billion over five years.

G.M. engineers are also following the lead of Toyota and other efficiency experts and designing cars with fewer parts, so that assembling them requires fewer workers. The 1997 Chevrolet Malibu, for instance, was designed to be built by 22 percent fewer workers than were needed for the car it replaced. A couple of years ago, G.M. installed 240 different steering columns in its cars and trucks; soon, it will use just a dozen companywide, Mr. Harbour said. Customers are unlikely to notice the difference.

General Motors still sells some truly awful cars; the Buick Skylark and Oldsmobile Achieva are so bereft of curb appeal that G.M. will not send the 1998 models to dealerships, only to rental car fleets.

After building a popular new small-car division, Saturn, G.M. has watched its sales languish recently because there is no Saturn sport utility vehicle to keep buyers from defecting to Toyota's RAV4 or Honda's CR-V.

Although G.M. has introduced 15 new models in the last 18 months that are light-years ahead of those they replace, auto reviewers and Wall Street analysts concur that few, if any, are truly better than the competition, which is already developing its next onslaught.

"They are still playing catch-up, and they will play catch-up for a long time," Ms. Keller of Furman Selz said. Still, perhaps the best example of the new, faster-moving General Motors came last year, when the company was weighing plans to spend several hundred million dollars for a new headquarters.

In early March 1996, Matthew P. Cullen, a G.M. real estate planner, learned that Detroit's landmark Renaissance Center, a complex of five shiny glass cylinders, was for sale.

G.M. changed course, and in just a month's time, the \$75 million deal was done. In the old G.M., "I would have gone to somebody who went to somebody and then it would've been reviewed by 15 committees," Mr. Cullen said.

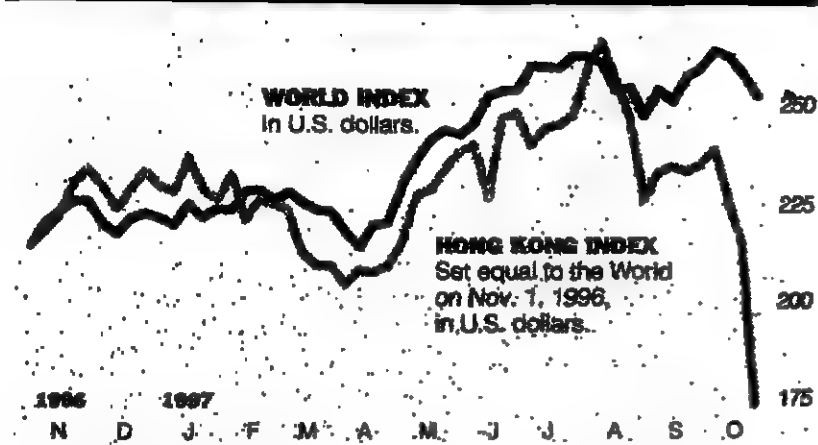
And the company has elevated the role of its long-neglected marketing efforts. In late 1994, G.M., which seldom scouts for executive talent from outside its ranks, brought in Ronald L. Zarrella, who had been president of Bausch & Lomb, to revamp the company's rudderless marketing.

Mr. Zarrella has sought to counteract a perennial problem at G.M.: internal competition that allowed, for instance, some of its Chevrolets to compete most fiercely against Pontiacs, not Fords and Toyotas. Mr. Zarrella has aimed each of G.M.'s car and truck models at specific silvers of the market. The company markets Lumina's, for instance, to buyers looking not for precision handling but for a set of relatively cheap, reliable wheels.

EVEN with new management, G.M. has made plenty of mistakes, including the following:

• While Chrysler has just completed its first car designed entirely on computer, saving eight months and about \$80 million in the process, G.M.

WORLD STOCK MARKETS



Prepared by Goldman, Sachs & Co. using data derived from the Financial Times/Standard & Poor's Aquarius World Indices, a measure of stock market performance. The FT indices are compiled jointly by The Financial Times Limited, Goldman, Sachs & Co. and Standard & Poor's. In conjunction with the Institute of Actuaries and Faculty of Actuaries.

PERFORMANCE IN U.S. DOLLARS IN LOCAL CURR.

Country	Index	Week % Chg.	Rank	Week % Chg.	Rank	YTD Dividend Yield	Index	YTD % Chg.
Australia	209.61	-7.6	23	-5.5	21	3.86	198.78	7.0
Austria	202.56	-2.0	11	6.7	16	1.75	187.21	23.2
Belgium	238.10	-2.9	13	4.6	18	3.20	215.28	20.7
Brazil	276.84	-6.8	21	48.0	1	1.30	560.90	54.6
Britain	320.60	-4.4	18	13.2	15	3.40	290.89	18.6
Canada	223.66	-0.6	5	17.8	11	1.68	225.41	19.6
Denmark	416.65	-0.6	3	18.4	9	1.33	383.62	35.9
Finland	339.00	0.7	1	38.0	3	1.64	378.63	59.4
France	226.32	-4.1	17	5.7	17	2.52	211.51	21.2
Germany	224.74	-0.8	8	18.3	10	1.39	207.77	36.5
Hong Kong	379.72	-19.0	28	-25.1	23	4.20	377.06	-25.1
Indonesia	118.63	-5.9	19	-48.0	25	2.62	260.17	-21.3
Ireland	382.29	-0.8	7	16.3	13	2.63	368.45	34.8
Italy	110.65	-1.0	9	32.5	4	1.66	143.37	51.2
Japan	114.15	-3.7	16	-11.6	22	0.91	87.51	-7.6
Malaysia	242.16	-16.1	27	-59.9	27	2.26	316.17	-46.1
Mexico	1,729.85	-7.3	22	41.8	2	1.64	14,793.01	40.9
Netherlands	404.47	-2.1	12	20.3	8	2.26	369.91	39.4
New Zealand	87.76	-0.6	20	-4.4	20	4.11	74.65	8.2
Norway	364.59	-6.8	4	23.4	7	1.74	353.44	38.0
Philippines	83.90	-13.2	24	-58.8	26	1.44	147.38	-44.8
Singapore	237.69	-15.1	26	-43.3	24	1.82	173.27	-36.0
South Africa	324.63	-3.3	15	1.9	19	2.54	335.50	3.1
Spain	250.78	-1.3	10	14.1	14	2.37	284.82	31.5
Sweden	490.60	-3.2	14	16.3	12	1.88	552.19	29.5
Switzerland	311.65	-0.8	6	30.6	5	1.17	284.16	43.1
Thailand	33.12	-15.0	25	-65.4	28	5.67	49.56	-48.0
United States	384.33	-0.1	2	27.3	6	1.61	384.33	27.3

COMPOSITE INDICES

Region	Index	Week % Chg.	Rank	Week % Chg.	Rank	YTD Dividend Yield	Index	YTD % Chg.
Europe	279.12	-2.8		16.5		2.43	263.18	28.7
Pacific Basin	124.71	-6.1		-16.1		1.50	97.13	-11.3
Europe/Pacific	189.14	-4.1		1.4		2.07	159.36	9.6
World	254.98	-2.1		13.7		1.83	229.50	18.2

Source: Goldman, Sachs & Co. Exchange rates as of Friday's London close. © 1997 The Financial Times Ltd., Goldman, Sachs & Co. and Standard & Poor's.

CURRENCIES

Exchange rate	Friday	Last Friday	Week % Chg.	Year Ago
Japanese yen to the U.S. dollar	121.07	120.68	+0.99	113.35
German marks to the U.S. dollar	1.7790	1.7718	+0.07	1.5122
Canadian dollars to the U.S. dollar	1.3917	1.3863	+0.39	1.3863
U.S. dollars to the British pound	1.6335	1.6166	+1.05	1.6370

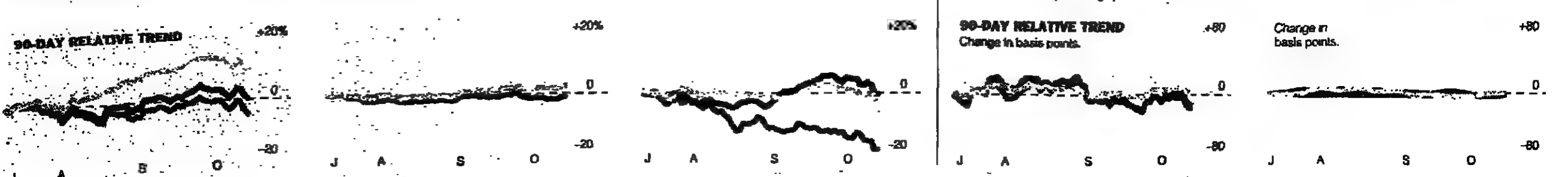
Source: Bloomberg Financial Markets; exchange rates as of Friday's New York close.

UPS AND DOWNS

Oct. 20-24: After the Dow Drops 4% in 2 Days, All Eyes Turn to Monday

PRICES	DOMESTIC EQUITIES	DOMESTIC BONDS	AROUND THE WORLD	YIELDS	OTHER INVESTMENTS
	Broad market Down 0.27% S. & P. 500 index 941.64	Treasuries Up 0.99% Ryan Labs. Total Return 208.22	European stocks Down 2.77% F.T.-Actuaries Europe 279.12	Long bonds 6.27% 30-year Treasuries Down 17 basis pts.	Money market funds 5.01% Taxable average Up 3 basis pts.
	Blue chips Down 1.68% Dow 30 industrials 7,715.41	Municipals Up 0.95% Bond Buyer index 120.63	Asian stocks Down 6.13% F.T.-Actuaries Pacific Basin 124.71	Notes 5.73% 2-year Treasuries Down 16 basis pts.	Bank C.D.'s 5.16% 1-year small savers Up 1 basis pt.
	Small capitalization Down 0.39% Russell 2000 index 447.53	Corporates Up 1.05% Merrill Lynch Master index 919.11	Gold Down 5.40% New York cash price \$308.60	Municipals 5.47% Bond Buyer index Down 6 basis pts.	Stocks 1.64% S. & P. 500 dividend yield Up 1 b.p.

100 basis points = 1 percentage point. Change in basis points.



The New York Times

Founded in 1851

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Re-elect Mayor Giuliani

This year's mayoral campaign has been, by any standards, a disappointment. The Democratic nominee, Ruth Messinger, has criticized Mayor Rudolph Giuliani endlessly, but failed to give voters a sharp sense of her own political philosophy. Ms. Messinger, who has a long and distinguished career in local politics, deserves to be remembered for her previous service to the city rather than for this uninspiring race. But even if she had run a model campaign, it is hard to imagine how she could have made a convincing argument for getting rid of Mr. Giuliani. Despite the many disagreements we have had with the Mayor over the last four years, we endorse his re-election enthusiastically.

The critical problem with the Democratic campaign became apparent at the first mayoral debate, when Ms. Messinger tried to deny that New York's quality of life had improved over the last four years. She was arguing against the voters' own sense of reality. Crime is down dramatically. New jobs have been created in the private sector. The welfare rolls are smaller. The city has a budget surplus. The school system has a new, more rational structure. Tourism is skyrocketing, and the city's reputation as a good place to visit, live or do business has improved dramatically.

Each of these achievements is subject to caveats. Crime is down across the country. But under Mr. Giuliani, the improvement has gone beyond a mere reduction of felonies, to a higher expectation of civility. New Yorkers no longer apathetically assume that they have to put up with aggressive panhandlers, squeegee men or parks full of makeshift housing encampments. Most residents have an increased sense of control over their neighborhoods, and this is most critical in poorer sections of the city. Low-income black and Latino families are no longer expected to reconcile themselves to gunfire in their streets and drug dealers on their doorsteps.

Mr. Giuliani's fiscal record has been helped along by a booming national economy, which produced budget surpluses during the last part of his term but did not end the long-term boom-and-bust pattern of the city's finances, or the huge projected deficits a few years down the road. Nevertheless, the Mayor scored some impressive successes. He made hard choices during his first years in office. Unlike his recent predecessors, who also knew how to cut when times were tough, he did not return to business as usual once the economy improved. The head count in city agencies has not ballooned back to its pre-austerity level. He kept his promise to reduce taxes with modest, targeted cuts aimed at encouraging business growth.

When it comes to economic development, though, Mr. Giuliani's biggest achievement was his battle against organized crime at the wholesale food markets. New York has long suffered from the perception that the city is overrun with crooked unions and extortionate industries under mob control. The war to clean up the Fulton Fish Market and Hunts Point Produce Market, and even the Mayor's insistence on forcing new management on the San Gennaro festival in Little Italy, had a critical symbolism. Coupled with the dramatic reforms in the carting industry and the unions working at the Javits Convention Center, the Mayor's initiatives were a giant leap in convincing businesses that they can come here without worrying about overt and hidden shakedowns.

New York was ready for a dramatic turnaround when Mr. Giuliani took office, and that need became even more urgent when a new Republican Congress began shutting down the old pipelines of economic support to cities and the poor. A place this big, with so many jealously guarded bits of political

turf, does not turn easily. New York, like many cities, favors mayors who bring forceful and at times obsessive leadership. Mr. Giuliani projects that quality. Ms. Messinger, despite her deep understanding of city issues, seems more professorial or bureaucratic in temperament.

Mr. Giuliani's combative temperament is a bit like nuclear fission. Harnessed in the right way, it is a tool for progress, drilling through previously impervious bureaucratic and political barriers. Some of Mr. Giuliani's well-chosen targets have included the Port Authority, the State Legislature and the Patrolmen's Benevolent Association. His pugnaciousness is less attractive when it is aimed at an individual whose only sin was to make a legitimate criticism of the administration. The public got another sampling of that knee-jerk inclination to lash out at opponents recently when the Mayor delivered a divisive assault on Ms. Messinger for failing to finish the route of the Columbus Day parade.

The best and worst of Mr. Giuliani's style showed in his fights over education. The public school system was virtually ungovernable when he took office, with impossibly complicated lines of authority and a culture of non-achievement in many districts. The Mayor has little real power over the schools, but his over-the-top behavior in starving the education budget, persecuting the former chancellor and terrorizing the school board created a sense of crisis that did bring about the impetus for change. We cannot buy into Mr. Giuliani's claim that his performance was a carefully calculated tactic. However, it did focus public attention on the problems long enough to get real reform, and we believe he is sincere in his intention to create a better learning environment for the city's children over the next four years. Still, it is not an experiment we would like to see tried very often. Instead of being improved, the school system could very easily have been shattered.

Due to term limits, Mr. Giuliani will have at most another four years at City Hall. If he is re-elected, his opponents will be less willing to roll over, and he will have to win future victories with more negotiation and less bluster. He will also need to attract a new cadre of top managers to fill out the ever-shrinking circle of advisers and commissioners. Mr. Giuliani does not share the spotlight readily, and after four years of his administration, there are few stars and many yes-men and -women at City Hall.

Ethics has, surprisingly, been a weak spot for Mr. Giuliani, who seems to believe that his administration is too honest to need much regulation. Mr. Giuliani's tenure has been blotted by instances in which he failed to abide by standards he demanded of others, from his insistence on using city funds to pay for what were basically re-election ads to his refusal to acknowledge that there is any problem with maintaining two politically powerful allies as advisers to the administration while they work for a lobbying firm that does business at City Hall.

Given Mr. Giuliani's overall record and the weak campaign Ms. Messinger has waged, pointing out these faults does not argue against the Mayor's re-election. But Mr. Giuliani's ability to moderate his style may make all the difference in the legacy he leaves behind. If he curbs his worst tendencies and gives full rein to his energy, determination, intelligence and independent thinking, he may go down in history not simply as a competent politician who rode out some favorable economic and social trends, but as a Mayor who turned New York City around and reshaped its future.

Editorial Notebook

India Wrestles With the Raj

A Queen's Gesture of Penitence Reignites a 50-Year-Old Debate

The novelist Paul Scott described India and Britain in the last days of the raj as "locked in an imperial embrace of such long standing and subtlety it was no longer possible for them to know whether they hated or loved one another." Earlier this month, those ambivalent emotions flared again as Queen Elizabeth tried her best to celebrate the 50th anniversary of Indian independence. There was the Queen venturing to the northern Indian city of Amritsar, where she reflected sorrowfully on one of the great atrocities of British rule, kicking up clouds of nostalgia, resentment and hurt feelings.

The Queen's visit to the walled garden of Jallianwala Bagh, where thousands of unarmed civilians were mowed down by British troops in 1919, was not seamless. Even as she placed a wreath at the garden and wore a saffron dress, the sacred color for Sikhs and Hindus, Prince Philip could be heard on the sidelines belittling the death toll claimed by India. Prime Minister I.K. Gujral of India dismissed the need for a royal apology in a tone of let-by-gones-be-by-gones, then called Britain a "third-rate country" after it was reported that London had offered to mediate between India and Pakistan.

In an era when political leaders are apologizing for historical misdeeds, India is surely a distinctive case. Many of its citizens retain a benign attitude toward their former oppressor, symbolized best by a pervasive feeling among the intelligentsia that the old imperial institutions have declined since the "tryst with destiny" proclaimed in 1947 by the founding Prime Minister, Jawaharlal Nehru. Implicit is the idea that India

has failed to preserve the gifts Britain left behind. But of course, the army, the culture of ruling elites, the civil service and other creations of the raj were designed not to instill democracy but to bring India to heel. Small wonder that they have been corrupted over time as New Delhi sought to lift India out of poverty and tame what Nehru called its "fissiparous tendencies."

Amritsar is a symbol of India as well as British blunders. While there, the Queen also visited the Sikh religion's Golden Temple, which by 1984 had become an arms depot for Sikh terrorists, whose secessionist campaign posed a grave threat. Acting in imperial style, Prime Minister Indira Gandhi, Nehru's daughter, directed the army that year to seize the temple in a bloody raid that left more than 700 dead and led to Mrs. Gandhi's assassination several months later by Sikh security guards. India's rolling crises have now shifted to Muslim-dominated Kashmir, where at least 100,000 troops are stationed to quell a rebellion.

The fact is, India was a more impoverished country after British rule than before. The raj exploited its divisions and educated only the elite. At the end, Britain left in such haste that no one was prepared for the Hindu-Muslim conflagration triggered by the partition of India and Pakistan. Paul Scott's "Raj Quartet" closes with its British protagonists labeling those riots "our crowning failure."

India's struggle to remain free, secular and united still stirs the emotions. But one must admit that there is an imperial dimension to this vision, and an anxiety over whether it will be imposed by force on India's sprawling landscape of ethnic, religious and linguistic entities. The drama of India's next 50 years will no doubt be its struggle to follow a democratic path, transcending the iron fist inherited from the raj. STEVEN R. WEISMAN

مكتبة النور

THE NEW YORK TIMES, SUNDAY, OCTOBER 26, 1997

NATO Expansion Shows West's Global Ambition

To the Editor:
According to Warren Christopher and William J. Perry (Op-Ed, Oct. 21), it is a strategic imperative that the North Atlantic Treaty Organization shift "emphasis from defense of members' territory to defense of common interests." Out of context these are nice-sounding words. In context, they portend disaster.

The Christopher-Perry thesis carries with it the dangerous idea that it is the rich, predominantly white nations' burden to define how the rest of the world is to act. This project is counter to the direction intended at the end of World War II, when it was taken for granted that the world's common interests could best be represented in the United Nations.

Mr. Christopher's and Mr. Perry's concern is "proliferation of weapons of mass destruction, disruption of the flow of oil, terrorism, genocidal violence and wars of aggression in other regions that threaten to create great disruption." But why should NATO be the sole judge and jury of actions to be taken outside of "its" region? NATO's purpose was to keep the Soviets out, the Germans down and the Americans in. That purpose is no longer necessary. MARCUS RASKIN
Washington, Oct. 22, 1997
The writer, a former National Security Council staffer in the Kennedy Administration, is a fellow at the Institute for Policy Studies.

Beware Russia's Reaction

To the Editor:
"NATO's True Mission" (Op-Ed, Oct. 21), by Warren Christopher and William J. Perry, provides answers to key questions in the debate over ex-

pansion of the North Atlantic Treaty Organization. But the answers do not necessarily correspond with reality. Foremost is the question of NATO's future relations with Russia.

Mr. Christopher and Mr. Perry envision a benign relationship between the two based on the NATO-Russia Founding Act, which notes that NATO and Russia do not consider one another adversaries. On the other hand, Jesse Helms, the Senate Foreign Relations Committee chairman, is on record as a supporter of expansion only if it is designed to counter Russia.

Obviously, the desirability of any future configuration of NATO depends on Russia's likely reaction. Too often, this issue is relegated to the misty premises of the argument rather than laid down as its foundation. We need to know why Russia would respond positively to military encirclement and why, conversely, the absence of NATO expansion

would promote Russian aggression. BEAR F. BRAUMER
Ann Arbor, Mich., Oct. 21, 1997

'Original Mission'?

To the Editor:
Warren Christopher and William J. Perry (Op-Ed, Oct. 21) claim that the "original military mission" of the North Atlantic Treaty Organization was to deter an "attack from the Warsaw Pact." NATO was formed in 1949. The Warsaw Pact was not created until 1955, in response to an earlier NATO expansion, to wit: the admission of West Germany in 1954.

NATO's "original military mission" was to project American influence onto the European continent, the same goal as the current expansion plan. MICHAEL J. SULLIVAN JR.
Philadelphia, Oct. 22, 1997

The writer is a professor of politics at Drexel University.

Better Bankruptcy

To the Editor:
Re "Battle Emerging on How to Revise Bankruptcy Law" (front page, Oct. 19): During the 1990's there have been more than nine million bankruptcies, affecting 1 in every 100 households. Bankruptcy laws have helped to give many people in desperate situations a fresh start. Most bankruptcy cases are filed by ordinary middle-class people who are employed and contribute to society.

The revision of the present laws without legislation to fix the causes of insolvency is like trying to cure cancer with aspirin. For example, a bank wanting insolvent debtors to pay back their debt after a Chapter 7 bankruptcy should be limited by tough standards for issuing that debt and then be limited to reasonable interest rates and short-term paybacks on credit cards. This way, debts would stand a better chance of being repaid. If everyone in this country were protected against medical emergencies, the bankruptcies caused by those circumstances would not exist. Finally, if advertising encouraging people to take vacations they deserve but thought they could never afford would be curbed, the road to safer spending would be paved. MARTIN FISHER
New York, Oct. 22, 1997

Helping Smokers Quit

To the Editor:
Your Oct. 23 news article on bupropion, an antidepressant that can help people quit smoking, says "this drug can achieve a 25 percent rate of smoking cessation after one year." Current estimates suggest that for all people who stop smoking, no matter what method they use, about 20 percent are still not smoking after one year.

Although bupropion may aid a certain hard-core population with particular difficulties with nicotine, one may wonder about its benefit as a larger public health measure. Studies have shown that it takes many smokers at least six attempts at quitting to maintain their gains over one year and eventually kick the habit. There has been a tendency to medicalize smoking cessation when work on motivation and methods of habit control may prove more successful in many cases. SAUL D. RAW
Brooklyn, Oct. 24, 1997

The writer is a clinical instructor of social work in psychiatry, Cornell University Medical College.

Rights Abuses in Turkey

To the Editor:
"Turkish Court Yields to Police Officers Accused of Torturing 14" (news article, Oct. 23) notes that Turkish authorities "concede there have been incidents of torture in detention centers, but insist that they are isolated." They are not.

In 1990 the New York City Bar Association reported on its human rights delegation to Turkey, on which I served, that found that such torture was widespread and that the legal system's response was a failure. A follow-up report last year stated: "Widespread, systematic torture, particularly against detainees in police custody, is well documented by... international governmental associations and the United States Government." RHODA H. KARPATKIN
Yonkers, Oct. 23, 1997

Clean Car's Wrong Turn

To the Editor:
Re "In a Step Toward a Better Electric Car, Company Uses Fuel Cell to Get Energy From Gasoline" (news article, Oct. 21): Federally sponsored research into this promising technology is veering off course. Fuel-cell vehicles powered by alternative fuels like hydrogen could soon deliver the zero-polluting, high-efficiency answer to air pollution and global warming.

But the Government's proposal to cram gasoline into fuel cells makes them dirtier, more complex and expensive. Powering a 21st-century technology with 20th-century fuel seems anything but visionary. Limited Federal finances would seem better aimed at breaking down barriers to new fuels that unleash the full potential of fuel cells rather than facilitating the longevity of petroleum dinosaurs. JASON MARK
Berkeley, Calif., Oct. 23, 1997
The writer is a transportation analyst for the Union of Concerned Scientists.



John Phillipson/Vision

On Asian Currencies, Markets Don't Know Best

To the Editor:
"An 'Asian Miracle' Now Seems Like a Mirage" (front page, Oct. 22) says "heedless spending," "over-ambitiousness" and "self-indulgence" were the sins for which Thailand, Malaysia and Indonesia were punished in securities and foreign exchange markets. Missing is an ex-

planation of how, precisely, government profligacy caused the crisis. If the Malaysian Government spent large sums on environmental protection and education instead of on the projects you mention, like skyscrapers and big dams, would currency traders have refrained from attacking the ringgit, the Malaysian currency? Not likely.

In focusing on examples of wanton spending, you miss the larger picture: with the internationalization of financial markets, national economies (particularly developing countries) have become more vulnerable to the dictates of those markets, and governments are therefore more constrained in the policies they can pursue. The same market forces that "discipline" governments may constrain the pursuit of other social goals. It is questionable that financial markets know best, as you appear to assume. That assumption is not supported by the contagion effect we are witnessing in which a decline of confidence in one currency has generated a decline in confidence in the currencies of surrounding nations regardless of differing economic circumstances. JENNIFER METZGER
New York, Oct. 22, 1997

New Gay Newspaper Is Cause for Optimism

To the Editor:
I wish to clarify my comments in "A Mini-War of Gay Newspapers; A New Weekly Draws Fire Even Before Its First Issue" (news article, Oct. 22).

While I am critical of the refusal of both The Washington Blade and The New York Blade News to include editorial pages, and while I expressed concern over The Washington Blade's linking up with News Communications Inc. to found The Blade News, I stated emphatically that The Washington Blade is among the best lesbian and gay papers in the country. I also expressed overall optimism about its creation of The New York Blade News. MICHELANGELO SIGNORILE
New York, Oct. 23, 1997

Creative Support

To the Editor:
Larry Kramer has gone too far in his criticism of a gay newspaper that accepted financial support from heterosexuals (news article, Oct. 22). Were the producers of his recent plays homosexual, heterosexual or both? I'm sure that if he accepted backing from either, or both, it didn't conflict with his creativity. After all, didn't Barbara Streisand buy the film rights to Mr. Kramer's "Normal Heart"? FRANK PERICH
New York, Oct. 22, 1997

A Loughlin Education

To the Editor:
Joe Claro (letter, Oct. 24) takes exception to your statement that Bishop Loughlin Memorial High School in Brooklyn "was known as an elite school ranked with Stuyvesant High School" (obituary, Oct. 22). He sweepingly asserts "that Loughlin was considered by many Roman Catholic parents to be only a cut above average public high schools."

It is true that one, two or three boys from each parish in the region were selected, but contrary to Mr. Claro, they were those who scored highest on the exam out of the 60 or more students who took it. Moreover, once they entered Loughlin, they were subject to rigorous academic discipline comparable to Stuyvesant's. A great many were expelled by the end of the first year for failure to maintain academic standards or discipline.

Besides Mayor Rudolph W. Giuliani and Brother James Bonilla, there are thousands of doctors, lawyers and engineers, businessmen and clergy who provide ample testimony to the excellence of a Loughlin education. ANTHONY R. SPINELLI
New York, Oct. 24, 1997

The writer is a 1954 graduate of Bishop Loughlin Memorial H.S.

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Georgia on their mind

Aliya may be down compared to the early 1990s – but tens of thousands of immigrants are still making their way here from the former Soviet Union. Aryeh Dean Cohen met with one family and will be checking in with them as they build their new lives in Israel

Nona Sepiashvili's almost constant smile couldn't hide what was on her mind.

It's been four months since she, her husband Sergio, their son Misha, her mother Violeta, and her father Samson arrived on a rickety Orbi Airlines flight from Tbilisi, Georgia.

And while much of that time has been taken up with the usual immigrants' steep climb – looking for an apartment, visiting government offices, and checking out work possibilities – Nona and the rest of the family have been thinking about only one thing: Nona's 92-year-old grandmother Margot. Visa and health problems forced the family to leave her behind with Nona's sister, and she died a few weeks ago, before efforts to bring her here could bear fruit.

Mention Margot in front of Violeta and she breaks into tears. Even the discomfort of sharing the stuffy three rooms in her sister-in-law's third-floor walk-up in Or Yehuda couldn't compare with the pain of knowing her mother would now never come. With the help of some friends who raised the money for the trip, she was recently able to go back to Georgia to visit Margot's gravesite and see her sister Liana.

The problem, like many faced by new immigrants, was largely bureaucratic. There are no functioning archives of personal records in the now-independent Georgia, where working electricity is rare, at best. So it was practically impossible to obtain a copy of Margot's birth certificate. Without it, the family was unable to prove her Jewishness, which led to questions about Violeta's and Nona's status as well.

The latter problem may be resolved with the help of an affidavit from Jewish Agency officials in Tbilisi, who would testify to the fact that they know the family and that they are all Jews. Her sister might come as a tourist, and for now she and her grandmother occupy most of Nona's thoughts.

As her aunt (a relative of Nona's father) and mother brought in endless arrays of fruit, pastry and other treats for their guests in the crowded living room, Nona, 27, explained the situation. "My sister couldn't come because we couldn't leave my grandmother alone there. My sister has a child, but

no husband, and they live in a run-down rented apartment," she said in reasonably good Hebrew.

"My grandmother knew all about Shabbat, etc. She said she wanted to die here but that she didn't want to die a non-Jew. Then my sister wrote that my grandmother was very sick. My mother didn't know about it. She got very upset."

It's a tribute to the family's steadfastness that they've already managed to accomplish what they have. Besides the problems with her grandmother, Nona's mother has already been hospitalized once here with a heart condition, and Sergio's grandmother was also sick, and he was off visiting her in Bat Yam.

Adding to their burden is the fact that Nona's father, Samson, whose leathery features show signs of having withstood a great deal of struggle in Georgia, has tuberculosis. "He's already been to Kupat Holim and is getting medicine," Nona said, "but it's very hard for us to live together. He's sick, but we can't afford to live separately."

But his illness can't keep the 63-year-old Samson down. Eyeing a pregnant photographer in the room, he immediately tells her: "You've got a boy there," which turned out to be correct. When he first heard about the situation involving Margot, the sickly Samson bravely declared: "I will go bring her here," but he was quickly shouted down. Instead, he spends most of his time playing with his five-year-old grandson, Misha, whom he chased into the kitchen.

Despite all the problems, there is optimism, best characterized by the proud smiles when Nona discusses plans to change the family name

For now, they're set to move to their apartment on Rehov Hamadiv, where they will be seven people sharing three rooms – when Nona's sister



At home with the family, Nona Sepiashvili (second from left) tries to have a positive attitude. From left, her aunt Sima; her son Misha; her father Samson and her mother Violeta. (Sarit Uziel)

finally arrives. At present, between the two families, they receive NIS 3,200 a month from the Absorption Ministry, which will just about cover the NIS 1,875 in rent, plus other expenses, until she and her husband find jobs.

For now, Nona, a nurse by profession, and Sergio, 31 (also known as Yosef), an economist, are to start up in Netanyahu. "I want very much to study in my

Violeta, 61, grabbed a reporter's arm excitedly as they prepared to go up to the Absorption Ministry room to be processed, like a schoolgirl on her way to the prom. Now, Violeta insists she is still "very happy," but moments later breaks into tears when her mother's name is mentioned.

On that same night of her arrival, Nona was beaming, too, calling her arrival here the most exciting moment of her life.

"These problems aren't so bad – there was a war in Georgia, and it was very difficult there," she says, putting away the sheaf of papers concerning her grandmother, which she always keeps nearby. "After all," she says, "I wanted very much, for a long time, to come here."

ON THE night of their arrival,

Nothing smells like a rose(nberg)

Mel smells. He sniffs armpits, inhales stinky breath, and if you're game – and gamy – he'll venture up your nose. Cheesy feet? Mel will take a snort, with pleasure.

These days, Prof. Mel Rosenberg is a tad smelly himself. "Sorry about that. I'm doing an experiment," says the rank maven on bad breath and body odors. "I've been doing all kinds of experiments where I don't wear deodorant. I have been, to a certain extent, smelly for weeks."

Mind you, he does shower. "If I didn't, people around me would keel over." Mel, one of the world's experts on personal pungency, operates clinics that attract the raciest members of the human race, a clientele anyone else would sniff at.

"We have bad-breath clinics at Sprinzhak in Tel Aviv and in London, and a body-odor clinic at the Marom Basel Medical Center in North Tel Aviv, probably the first place in the world you can take a body-odor problem." (If you're on your way, please note: that is not the Basel Hotel. "Sometimes patients go there by mistake saying 'Smell me! Smell me!' And they're told, sorry sir, this is a hotel.")

In most cases, Mel says, bad breath and body odor can be treated. He doesn't necessarily have to resort to his smell-and-tell procedure, either. "Now there's a website on bad breath where we give answers and reveal research. We've had about 9,000 'hits' so far – I get

school and told everyone I'd decided to do research on bad breath. They thought I was off my rocker.

"In 1983, we organized the First International Conference on Bad Breath – can you imagine? – in Herzliya. We had 42 people from six countries. That got people interested. Two years later, a second conference in Belgium drew 140 people from 14 countries. We were voted the worst conference of the year to go to. Now we have an international society based in Tel Aviv with almost 100 members."

From bad breath he branched out. "A few years ago, I started getting interested in body odor," he says, and you can see why. "There are differences, you know. Bad breath is just basically bad breath, but every person has a unique body odor."

"Wherever I've traveled, I've noticed that people have the same sort of bad breath. It's basically the same in all cultures, as it comes from gum disease, or off the back of the tongue, which I believe is the result of post-nasal drip. They're quite similar no matter what the culture or ethnic background."

There are, however, nuances. People who eat lots of garlic or onions, perhaps cabbage and broccoli, will exude a corresponding whiff together with basic halitosis. To that list he adds local specialties such as amba and hilpe (fennel).

Can Mel sniff someone and say, aha, he's a hilpe eater? "Yes. You can smell the hilpe from their armpits."

Not Page One



Sam Orbaum

Mel has put a lot of thought into that most vexing of human challenges: How to tell someone he smells bad

e-mail from all over the world, every day, and I try to help as best as I can without actually smelling them."

(His e-mail address: melros@post.tau.ac.il; the web site: www.tau.ac.il/~melros/Welcome.html)

"The medical professions aren't skilled in smell, though 100 or 200 years ago a physician could make a lot of diagnostic decisions based on smell. Gynecologists still can. In China, it's customary to smell patients."

The Nosenberg rose – I mean, Rosenberg nose – has been places you could only dare imagine.

"Yeah, I'll admit, it's a bit weird what I do. My kids have a certain ambivalence to this discipline. But it's a very humorous thing. Sometimes I'll be sitting with my staff and we'll just crack up."

His interest in piquancy piqued at an early age, when he was a lad in Ottawa. (They must be very proud of him.) "I used to like smelling babies' heads. I didn't think it was peculiar. I thought everyone likes smelling babies' heads. Anyway, I had an uncle who had terrible bad breath and I said, 'Uncle George, when I grow up I'm going to do research and I'm going to help your problem.'"

His interest evolved. "You don't go to university to learn this. You can't get a BA in Smell. (A BO, maybe.) It's a difficult area to study." He is, he points out, a microbiologist, not a doctor.

"I'd never given any thought to bad breath, including my own. I even had bad breath and didn't know it."

"I was at the dental school in Tel Aviv in the early '80s and I said, humm, bad breath, that's interesting. So I went to a library and saw there was hardly any research on it. I went home and said to my wife: 'I've fallen on a gold mine. Here's a research subject that's mainly bacteria, and wow, everybody's interested in it but nobody's doing anything about it.'"

"I went back to the dental

He may be able to smell what you've had for lunch, but he doesn't claim to have superior olfactory senses. "What I have is an overriding curiosity about smells."

If there was any poetic justice, this Jew would have a snooz to make an antisemitic snout. Alas, it's an unobtrusive little thing, rising modestly from between soft brown eyes, just big enough to perch upon it professional spectacles.

When he's not performing diagnostic nosing, he may be in the lab, a sort of olfactory factory. He has developed new ways to detect and treat body odors, and a technique for sampling armpits.

He helped invent a mouthwash, Assuta, which is now being launched in England. "It's unique, the only mouthwash in the world you can actually see working in the sink, because when you spit it out you can see all the gunk attached to the oil droplets."

He has started up a company, InnoScent, that puts out such products as a shoe spray he invented. His major project lately is to invent a safe deodorant.

"In Israel, most deodorants are antiperspirants – which contain aluminum salts. Aluminum is considered by many people to be harmful: it's been implicated in Alzheimer's and other diseases, and may cause cancer, though it's not yet proven. We're in the development stage of an alternative deodorant."

Mel has put a lot of thought into that most vexing of human challenges: how to tell someone he smells bad.

"The answer is, it's almost impossible. If it's someone in your family, you owe it to them, because no one else will tell them."

"Otherwise, if you're really brave you can maybe say something, and some people will appreciate it in the long run. Or you can drop hints, like leaving them a bottle of mouthwash, or deodorant."

"Or you can ask me, and I'll tell 'em."

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DRIVE CAREFULLY

NEWS

of the muse

Art imitates life

Jaffa's Created Theater Company has taken *Penthesilea*, by German playwright Heinrich V. Kleist, to International Theater Dialogue week in Aachen, Germany. CTC's founding artistic director Avishai Milstein translated the epic play into Hebrew because its conflicts, gender domination, and the issue of individual vs. the consensus mirror our own lives in Israel. CTC, which works actively for Jewish-Arab dialogue, is based in the old Alhambra movie theater, which the company is renovating. Milstein is also directing a workshop at the festival. The play had its world premiere on Thursday and will premiere at the Alhambra in December.

Also at the festival are two local monodramas, Pini Mittelman in *Morning of Fools* and *Kafkaesque* with Yehuda Almagor.

Helen Kays

Dancing all the way to the podium

Four choreographers – Rina Schenfeld, Ido Tadmor, Noa Wertheim, and Uri Ivgy – are the recipients of the 1997 Ministry of Education Prize for dance. Schenfeld, founder and director of the Rina Schenfeld Dance Company, will receive the top prize of NIS 50,000 in recognition of her life achievement as a dancer and choreographer. Tadmor will receive two prizes – the NIS 15,000 Performance Prize and Young Artist of the Year. Wertheim, co-creator of the dance group Vertigo, and Ivgy, whose *Open Wound* will premiere at the Curtain Up dance festival next month, will receive second prize in this category. The ceremony will be held at the Suzanne Dellal Dance Center on November 5.

Helen Kays

Pick of the crop at Tel Aviv's guitar festival

The 14th International Guitar Festival gets under way at the Einav Cultural Center in Tel Aviv from November 14 to 22. As always, the festival celebrates classical, Spanish, jazz, ethnic and pop guitar music. The classical players include Bosnian guitarist Denis Azabagic and Spanish flutist Eugenia Ferrer; the guitar duo of Carmen Ros and Miguel Ferrer; and our own Yoram Hasson playing his arrangements of Yeminite psalms. There's a salute to the great jazz guitarist George Benson with Meir Ben-Michael and his combo; a couple of local R&B combos, Daily Blues and Texas Flood in a program called Electrifying Blues; some flamenco with Israeli male flamenco dancer Ariel Eisenberg, the Black Velvet Quartet in Irish and Balkan, and lots more. Tickets range from NIS 45 to NIS 75 for a single performance, with 25% discount on a package of four or more, and different discounts for other deals.

Helen Kays

Author! Author!

A troop of authors will march on stage at Authors House in Tel Aviv, November 2, recipients of the Moshe Bernstein Hebrew Literature Prizes. They include Gidi Nevo for his novel *Ad Kan* ("Only This Far"), poet Hava Pezaya for *Misveva Shama*, which the author has translated simply as "Poems," and literary critic Menahem Ben for his article "Journeying to the Sources of the Spirit."

Helen Kays

Back-to-back Beethoven

Deutsche Grammophon has announced the release of the Complete Beethoven Edition – 87 discs in 20 volumes – ready for the company's centenary year in 1998. The series features old recordings from the company's vast catalog, as well as new ones covering the entire Beethoven output from his nine symphonies through the chamber works, songs and choral works. Among the musicians featured in this huge edition are Herbert von Karajan conducting both the Vienna and the Berlin philharmonic orchestras, pianist Daniel Barenboim, conductors Claudio Abbado, Lorin Maazel, Leonard Bernstein and John Eliot Gardiner; violinist Yehudi Menuhin, cellist Mischa Maisky, the Emerson String Quartet and many others. Some of the volumes are already available in local record stores.

Michael Aizenstadt

Opera singer on a role

Israeli soprano Anat Efraty, who is spending her second year as a member of the Vienna Staatsoper, is currently with the company in China, performing the role of Barbarina in Mozart's *Le nozze di Figaro*. Upon her return, Efraty will prepare for her first major role with the company – Sophie in *Der Rosenkavalier* by Richard Strauss.

Michael Aizenstadt

Jerusalem violin ensemble tour de force

Les Violons du Roi David (Kinorot Hamelech David), the Jerusalem-based ensemble whose members play in the Jerusalem Symphony Orchestra, decided, after five years without a musical director, to engage conductor Anita Kamien. The ensemble has just returned from a short tour of France, playing concerts in Montpellier, Marseilles and Six-Fours under Kamien's baton. The program included works by Paul Ben-Haim, Mozart, Grieg, Martin, Elgar, and Barok.

Michael Aizenstadt

MOVIE REVIEW

By ADINA HOFFMAN

Perhaps best appreciated as a Mike Leigh microcosm, *Career Girls* contains some of the acclaimed English writer/director's best impulses alongside a few of his worst ones. The film evolves as a study in jarring contrasts, since what works in the course of the small, sometimes comic character-drama works wonderfully well, and what fails comes close to disaster.

The picture is simpler in its conception than some of Leigh's recent efforts and focuses on one weekend in the friendship of two very different 30-year-olds, Hannah (Katrin Cartledge) and Annie (Lynda Steadman).

Roommates during college, they haven't seen each other in six years' time, and the film opens with their reunion as mellowed, better-dressed adults.

Annie, a weak-voiced secretary, arrives on the train in London, where she's met by Hannah, who is tougher, more confident and also apparently a good deal angrier than her fragile friend. While

CAREER GIRLS

Written and directed by Mike Leigh. Hebrew title: *Yelodot Kariera*. 91 minutes. English dialogue, Hebrew subtitles. Not recommended for children. With Katrin Cartledge, Lynda Steadman, Kate Blyth and Mark Benton.

Annie still lives with her parents, Hannah rents her own apartment in the city, works for a stationery firm and has spent much of her life bitterly caring for an alcoholic mother.

By alternating between the tentative, present-day exchanges between the women and flashbacks to their younger selves, Leigh manages to depict a bond of plausible density and complication. Although the film's two time frames seem a fairly straightforward device at first, they ultimately allow the director to convey with moving economy the intricate ups and downs and dynamic shifts of the friends' interactions over time. Both have changed a great

deal since they were students, and Leigh's script cleverly introduces us to the women as it reintroduces them to each other. Close as they once were, Hannah and Annie are now strangers in most respects and the movie's richest moments take place as they cautiously attempt to pick up the thread of their long-lost intimacy. Much of the emotional nuance here derives from his improvisational work with the actors and from the lively little starts and swerves of the characters' speech. In this case, each woman's sense of her language and of herself takes surprising shape with the passage of years.

Problems, though, also arise from this time-traveling premise, since Leigh appears to have

instructed the actors to draw a thick line between their "then" and "now" personas. Both Cartledge (who appeared in Leigh's *Naked* and as Emily Watson's prim sister-in-law in *Breaking the Waves*) and Steadman (in her film debut) give powerful and often quite funny performances as the subdued career girls of the title.

Meanwhile, they play the university students in the broadest fashion possible, each basing her character on some obvious physical tic, a strategy which might be fine at an early stage in the character-development process but which, when captured in "finished" form on film, bestows on most of the flashback scenes the grotesquely mannered quality of

an acting-class exercise spun out of control. Cartledge stomps around and growls most of her lines in hostile, nearly incomprehensible high-speed asides, as Steadman twitches, tucks her chin into her chest and blinks nonstop in a needy, bug-eyed way.

And to top all off, Leigh has plagued this otherwise-attractive woman with a gruesome skin disease, and he frequently pushes his camera into tight close-up on these disfiguring scars as if to rub our faces in her misery. Why? And why make Annie and Hannah's other good school friend an overweight, disturbed young man (Mark Benton) with a terrible stutter?

As is often the case with Leigh's

grubby aesthetic, it is not at all clear what purpose is served by such deliberate flaunting of ugliness.

Though the director would probably defend his choices as "honest" or "realistic," his eye falls only on reality's homeliest details. And in fact, he shapes his stories according to a much more stylized and sentimental set of rules than would someone whose main concern is true grit. (The ending of *Career Girls*, to take just one example, feels completely contrived.)

Still, for all its problems, there is something modest and likable about this film. Leigh's saving grace is his sense of humor which remains in wry place throughout.



Mark Benton stutters, Lynda Steadman twitches, tucks her chin into her chest and blinks nonstop in a needy, bug-eyed way.

English theater abounds this week

By HELEN KAYS

Feast or famine. That's the way it is with local English theater, but starting today there's a couple of weeks with nothing but an English feast.

Tonight, Shakespeare's *A Midsummer Night's Dream* has the first of two performances at Ra'anana's Yad Lebanim. Directed by Maxine Ray, this *Dream* is a bilingual production featuring the Sharon Players (English) together with the Ra'anana Youth Theater and Theater Group (Hebrew).

"I talk to Bottom in English and he answers me in Hebrew," says Gail Summers who plays Titania, "which sort of adds to the magic." Summers has also made the fairies' costumes "because we simply couldn't find anything. I've never made anything before. It's all been great fun. I love Shakespeare and

I've done this play twice before."

The first four days of November have five productions, starting with Neil Simon's *Barefoot in the Park* from the Guild Theater, which "is a departure from what we usually do," cheerfully admits director/playwright Jodie Schenk.

"But after *Unadorned* [about five women in a hospital during WWII], we were all so drained that we wanted something fun that we could play with."

"The play shows how easily people can misunderstand what it is they really want," says Laurel Polansky, who plays Corie in Simon's early '70s comedy about a couple who have a falling out over their fifth floor walk-up apartment in New York.

"We're doing it kind of period," she adds. "I wear bell-bottom jeans." It's also at Yad Lebanim, Ra'anana.

November 3 is opening night for the Jest (Jerusalem English Speaking Theater) production of *Mrs. Klein* by Nicholas Wright. The play, directed by Bruce Oppenheimer, is about child psychologist Melanie Klein and stars Dawn Nadel in the title role.

"It's a mother daughter-conflict," says Nadel, "and the dead son plays a dominant role in their lives. Melanie is a woman obsessed with her profession who often uses people without realizing it. She's a bit of a monster really, but with tremendous charm."

"I'm enjoying it immensely. And it's wonderful to be directed by a psychologist. He explains the baffling bits in the play and makes them work for us."

On November 4, the Tel Aviv Community Theater production of Jean Genet's *The Maids* opens at Yad Lebanim in Tel Aviv. Genet is

not your average amateur theater fare, director Kelly Hartog admits cheerfully, but audiences need an antidote to Neil Simon-type comedies every once in a while.

"Genet takes real emotions, the kind we're taught to suppress very early," she says, "and confronts us with them head on. He can make even abuse sound poetic, but it hits home."

There's plenty of abuse in this very black comedy about a couple of maids who fantasize about the murder of their self-centered mistress. Hartog is an imaginative and meticulous director whose production of *The Woman in Black* won raves in Ireland last spring.

The award-winning Charlestown Theater Group, a guest of the Israel-Ireland Friendship League, presents Brian Friel's *Aristocrats* in Yad Lebanim, Ra'anana, on November 5. The bittersweet com-

edy, like all Friel's plays, is set in the mythical village of Ballybeg. It tells the story of the O'Donnells, now the impoverished remnant of the family that was once the local aristocracy. All they have left is the mansion where they've all come for a family wedding – and a confrontation with the truth.

The group has been active since the 1930s and is still going strong. In 1991 it was national champion with its production of Sam Shepard's *Buried Child*.

And this is how you see everything in one week, says Yanky Fachler, the energetic founding president of EADI (English Amateur Drama in Israel): *A Midsummer Night's Dream* on October 28; *Barefoot in the Park* on November 1; *Mrs. Klein* on November 3; *The Maids* on November 4; and *The Aristocrats* on November 5.

There's more to this business than the 'three tenors'

By MICHAEL AIZENSTADT

The last time American tenor David Kuebler sang Alfredo in Verdi's *La Traviata*, in Amsterdam in 1993, he says he had to sing his big aria "with fog on stage; and I had to lie down on my back, unseen by the audience. It was a pretty crazy production by Alfred Kirschner, with nude dancers for Flora's party. Some was quite interesting and I like Alfred a lot, but he definitely has his own ideas about opera." On other occasions Kuebler had to crawl on his stomach while singing in the opera *Faust* or to sing while climbing mountains on the stage.

But this time around there will be no such problems. Kuebler, who has sung in Israel several times in both concerts and opera productions, will sing Alfredo in concert form with the Haifa Symphony Orchestra later this week. No costumes, no make-up, no scenery. Pure music. Can opera work in this way? "Of course. You concentrate on the music and you don't have the distraction of the staging. But there

is also a loss. It's a trade-off, as some dramatic aspects do get lost. Yet sometimes that concentration on the musical end of things can be most rewarding and I enjoy it."

Kuebler likes working with directors. "I never had a bad experience with a director. After all, it's their concept so you have to make an effort and do what they want."

Ten years ago Kuebler, his wife, and their two daughters returned to live in their native land after spending several years in Cologne, where the tenor was a member of the local opera company.

"It was very good for me to be a resident artist because I was at home when my girls grew up." Now the daughters are older, one 22, the other still in high school. "The younger one likes Beethoven and plays the piano, while the older one is into a different kind of music. She does techno. She claims she knows what it is, but I don't. But she has very specific taste and knows the difference between good and bad music."



Tenor David Kuebler's diary is booked through 2002.

On the subject of good music, Kuebler is critical of the phenomenon of the three tenors (Placido Domingo, Luciano Pavarotti and Jose Carreras). "It gets tiresome. Don't get me wrong, though. Thank God we have these three tenors, but there are other tenors who are more lyrical and less of

the show-off type. I know that to the public all other tenors are overshadowed by these three, but this is not the case," Kuebler adds, "I have many friends who are tenors. Actually I don't remember meeting a tenor I didn't like. We are like members of a special club and we have a lot of respect for each other. I enjoy talking to other tenors very much."

Kuebler's diary already has solid bookings for 2002, but the repertoire he sings has changed from the lyric Mozart roles he used to do in the past.

"It was a logical step for me. Now I sing Alwa in *Lulu* and the title role in Zemlinsky's *Der Zwerg*. I'm glad I spent that time on the classical and Mozart repertoire which is technically very difficult, but now I feel vocally ready to make the move into a somewhat heavier and more dramatic repertoire, and I love it. *Lulu* is such a great opera."

David Kuebler sings Alfredo in the Haifa Symphony Orchestra's season opening production of Verdi's *La Traviata* October 29, 30, November 1, 2, 3.

Sinatra 'planned to marry' Monroe

Just weeks before her death in 1962, Frank Sinatra planned to marry Marilyn Monroe "in an effort to save her from herself," according to a new biography of the singer being serialized in London's *Daily Mail*.

In *Sinatra: The Man Behind the Myth*, author J. Randall Taraborrelli quotes an unidentified friend of Sinatra as saying, "No one will mess with her if she is Mrs. Frank Sinatra. No one would dare." The extract published last week says Sinatra and Monroe began an affair in 1954. He was separated from his second wife, Ava Gardner, and Monroe was divorced from baseball player Joe DiMaggio, her second husband.

They lived together in a platonic relationship, the book says, until one morning when Sinatra found a naked Monroe choosing juice from the refrigerator. The book says the affair continued on-and-off until Monroe's death of a drug overdose. (AP)

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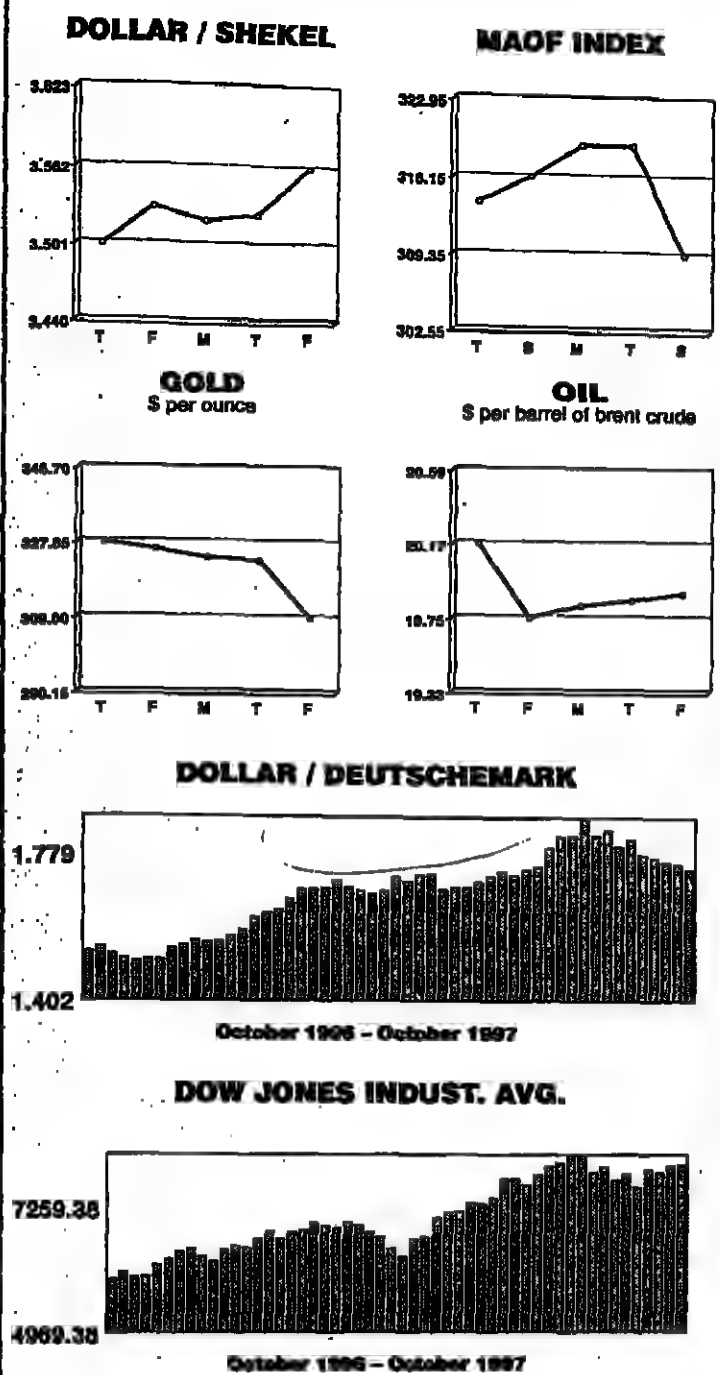
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مكتبة النور

BUSINESS & FINANCE

MARKETS

in brief



Israel, PA set up joint industrialist committee
In an effort to increase joint ventures, Palestinian and Israeli industrialists announced plans yesterday to set up a committee that would meet regularly to discuss hurdles faced by joint business initiatives, said Yoram Blizovsky, managing director of the Manufacturers' Association.
The aim is for both sides to try and resolve the bureaucratic problems that Israeli and Palestinian companies face when trying to conduct business together.
Jennifer Friedlin

Industrial prod. expected to rise 3.5% in '97
Based on figures from the January to August period, industrial production is expected to grow this year by between three percent and 3.5% compared to 1996, the Central Bureau of Statistics said yesterday.
Industrial production grew 5.4% in 1996 and increased at an average annual rate of 7%-8% between 1991 and 1995.
Jennifer Friedlin

Proposed budget faces uphill battle

By DAN GERSTENFELD
and LIAT COLLINS

MK Maxim Levi (Geshet) said yesterday he would try to convince fellow party and coalition members to vote against the proposed 1998 budget, which is scheduled for a first reading this morning.
"There is a list of steps lacking in the budget proposal: fighting unemployment, [housing] for

young couples, assisting the collapsing health system and aiding development towns," he said.
The bill is expected to be debated through Wednesday afternoon.
The budget proposal, including a NIS 2.3 billion cut, was approved by the cabinet in September by a vote of 11-6 with one abstention.
Proposed cuts in spending for defense, education, welfare and housing, are intended to enable the

government to achieve a goal of keeping the 1998 budget deficit to no greater than 2.4% of the gross domestic product.
But a number of coalition members besides Geshet have criticized the cuts, including the National Religious Party, Yisrael Ba'aliya and Shas.
Yisrael Ba'aliya Whip Roman Bronfman said his party would not support the budget unless mortgages and rental assistance

stipends were updated.
"We are convinced this would lead to a growth in the building industry which would serve as the springboard to general economic growth," Bronfman said.
Education Minister, Zevulun Hammer said he had no doubt that the budget would be substantially altered by the Knesset.
He warned that the government wouldn't be able to win a majority for a proposed NIS 250 million

slash in education, as well as for other cuts envisaged in welfare and health spending.
Interior Minister Eli Shais, and Labor and Social Affairs Minister Eli Yishai, of Shas, voted against the proposed budget in the cabinet.
Knesset Speaker Dan Tichon has invited some 100 leading industrialists to attend today's debate "to return some of the festive feeling to the budget discussions which has been lost in recent years."



Stock jitters in Tel Aviv

TASE traders shout sell orders as stocks on the Mishtanim Index slumped three percent yesterday in Tel Aviv's first day of trading since Hong Kong's Hang Seng Index plunged 10% last week. Full story, Page 10. (Reuters)

Hong Kong braces for more market volatility

By BIDDY CHAN

HONG KONG - The Hong Kong Monetary Authority said it widened the band for its overnight interbank rate by 100 basis points in anticipation the rate will experience further volatility.
On Thursday Hong Kong's overnight interbank interest rate rose to as high as 300 percent amid speculation the Hong Kong dollar's peg to the US dollar could break. As Hong Kong interbank rates rise, local banks may prefer to borrow from the Hong Kong Monetary Authority, which the de facto central bank doesn't want.
The widening of the liquidity adjustment facility - the band within which the overnight Hong Kong interbank offered rate should move - could mean the de facto central bank foresees further speculative attack on the Hong Kong dollar peg.
"I think the Hong Kong Monetary Authority wants to discourage banks from using its liquidity adjustment facility," said Davy Kwan, chief treasurer at the International Bank of Asia.
The "LAF" is supposed to be the last resort for local banks to borrow in the market, said Rebecca Chan, a spokeswoman for the Hong Kong Monetary Authority.
Banks have increased their interest rates as a way to deter speculators from selling Hong Kong dollars on expectation the currency's peg to the US dollar will break, leading to a devaluation of the Hong Kong currency.
The HKMA is following the decision on Friday by the Hong Kong Association of Banks to increase interest rates by 75 basis points, said Kwan.
"The Hong Kong dollar will still be trading on the strong side of the dollar peg," said David Li Kwok-po, chief executive of Bank of East Asia Ltd., the territory's third largest public bank.
Effective today, the bid and offer rates under the liquidity adjustment facility are 4% and 7%. The band had been between 4.25% and 6.25%.
Because of the Hong Kong currency's peg to the US dollar, with US\$1.0 officially valued at HK\$7.80, the Hong Kong Monetary Authority takes reference from the US federal funds rate in adjusting the LAF.
The latest adjustment makes the midpoint of the band match the US federal funds rate at 5.5%. Previously, there was a 2.5-basis point difference. "The LAF rates and the width of the LAF corridor will be reviewed from time to time in the light of market conditions," the Hong Kong Monetary Authority added in a statement.
Since the inception of the band in June 1992, its width had been maintained at 200 basis points. It's now 300 basis points. Asian currency turmoil caused Hong Kong's benchmark Hang Seng index to decline more than a third in the past month. (Bloomberg)

Big scorers rescue Tel Aviv art sales

The annual Succot sales of Sotheby's and Christie's in Tel Aviv last weekend saw about a third of lots going unsold while others, some of them valuable items, were withdrawn when bids failed to meet their minimal prices.
As usual, it was the more desirable works that saved the day. Sotheby's total went over \$2m., although 38 of the 128 lots went unsold and five were withdrawn, among them several expensive Chagalls.
A Bomberg flower piece and a Kisting nude and portrait also failed to sell.
Reuven Ruben's 1923 landscape of an Arab hamlet passed its best estimate at a well deserved \$172,000. Max

Liebermann's little oil of his garden at Wannsee, 1924, went at below its lowest estimate for \$173,000. On the other hand, a Lesser Ury oil of a young woman in a Berlin cafe, 1929 or so, topped its best estimate at \$88,300; two other works by this German-Jewish artist also sold well, his "Jeremiah" being purchased by the Berlin Jewish Museum.
Felix Nussbaum's early "View of San Remo" more than doubled its estimate at \$44,850 while his charming port scene from 1936 fetched an expected \$81,700.

Works by Stenatsky, Zaritzky, Ludwig Blum, Lea Nikel and Michael Gross all rose above their estimates, the latter's basalt head going for an auction record for this artist at \$26,450. A Stenatsky oil also set a record at \$25,300.
On the other hand the fine head of a rabbi by Isidor Kaufmann squeaked past its lower estimate at \$131,200 and another, an anonymous portrait, didn't sell. But his "Lady at a Desk" topped its best estimate at \$48,300. Incredibly enough, two dreadful fantasy oils by Samuel Bak made their estimates at around \$18,000 and \$20,700.
An unexciting little abstract

oil by Ardon managed its expected \$57,500.
Christie's Saturday evening auction totaled \$1.44m. with 59 of the 81 lots sold. Top honors went to a Chagall oil of lovers, flowers and fruits, which made its median estimate at \$184,000. A poorly rendered marriage scene from 1959 by Mane-Katz exceeded its best estimate at \$118,000.
This painting, its trite Jewish subject aside, could not in any way be compared with a fine little Mane Katz of a flower cart which failed to sell at Sotheby's for only \$14,000. However Christie's offered another, more interesting Mane Katz, "Blue Moon, Ukraine," a semi-abstract that topped its estimate at \$29,900.
Also topping their estimates at Christie's were an Archipenko bronze (\$77,300); a flower piece by Kisting (\$77,300); an interior by Josef Israels (\$57,500, more than double); a Picasso pen drawing (\$48,300); and a Jankel Adler (\$46,000).
Making their estimates were an interesting Mokady full figure portrait (\$41,000); an Ardon (\$43,700); a Lesser Ury street scene (\$63,000) and one of the loveliest lots on sale, a silvery Yosl Bergner still life from 1964 (a modest \$7,130).
It's clear that in a sale where a garish Kadishman acrylic sells and a painting by Sam Francis doesn't, that some strange provincial set of values is at work.

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Sinatra 'planned to marry Monroe

Just a few days after the death of the legendary singer and actress, Sinatra was reportedly planning to marry the young and beautiful Monroe.

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TASE follows world markets' fall

Share prices closed sharply lower yesterday in the first Tel Aviv trading session since world markets went on the decline. "Basically it's looking very, very fragile," said Danielle Finn, head of sales at Ilanot Bencha. "There's a lot of nervousness in the market."

Italy raises \$11b. in Telecom Italia offering

Italy's Treasury closed the sale of its controlling stake in Telecom Italia SpA, the national telephone company, raising \$11.4 billion and making it the largest European secondary stock offering ever.

ISRAEL MONEY MARKETS

Table with 4 columns: Currency, 3 MONTHS, 6 MONTHS, 12 MONTHS. Includes US dollar, Pound sterling, German mark, etc.

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SPORTS

in brief

Korda ends long wait for victory

STUTTGART (Reuters) — Petr Korda claimed his first title in nearly two years with straight sets win over Richard Krajicek at the Stuttgart Open yesterday.
Korda's tidy 7-6 6-2 6-4 victory over the 1996 Wimbledon champion gave the 29-year-old Czech double reason for celebration. Not only did the win give him his first title since January 1996 in Doha but it also moved him back into the top 10 of the world rankings for the first time since August 1993.

Gascoigne staying with Rangers

LONDON (Reuters) — Paul Gascoigne looks set to stay with Glasgow Rangers, ending rumors that he might return to England with Aston Villa.
The international midfielder was at Highbury yesterday and saw Villa draw 0-0 with Arsenal but explained he was there as part of a birthday treat for his son.
Gascoigne told Sky Sports: "I've signed a three-year contract with Rangers. I'm very happy where I am."

Villa hold Arsenal goalless

LONDON (Reuters) — Arsenal failed to get the win they needed to go back on top of the English Premier League yesterday as Aston Villa secured a 0-0 draw that eases the mounting pressure on under-fire manager Brian Little.

Arsenal Wenger's men stay in second place a point behind leaders Manchester United, 7-0 winners over Barnsley on Saturday. Villa remain a disappointing 13th after 12 matches.

Villa, without the suspended Stan Collymore and with Steve Staunton and Savo Milosevic away on international duty, gave it their all but were unable to get the three points they so badly need on the ground where their last league championship was

clinched 16 years ago.
Arsenal were reduced to 10 men in the 82nd minute when French star Emmanuel Petit was sent off after the Frenchman had pushed the referee while remonstrating with him over a booking for Steve Bould.

Villa pressed in the final five minutes but Arsenal held on for a share of the points.

Earlier, Bolton moved off the bottom with a 1-0 win over Rumbold's fourth-placed Chelsea.
The win, only Bolton's second of the season and their first at home, moves them up to 17th, above basement side Barnsley, Sheffield Wednesday and Southampton.

Division one result: Queens Park Rangers 2, Manchester City 0.

Local rugby season begins

By JOEL GORDIN

The local rugby season started on the wrong foot at the weekend when only three of the four scheduled games were played.

Tel Aviv B withdrew from their game against Kibbutz Yizre'el because, according to a team spokesperson, they had not managed to put together a XV "so soon after the holidays."

In the main game at Tel Aviv's Sports Center, Tel Aviv A triumphed 21-7. The Tel Aviv forwards, led by captain Mark Goldin, were too strong for their opponents. Ra'anana are now without veteran captain and fly-half Johnny Sacks who is currently studying at Oxford

University where he has been selected as one of 30 players who may play for the university's team.

In the Spornet curtain-raiser, last year's wooden spoon side, Rishon LeZion, supplied the surprise of the afternoon by drawing 10-10 with last year's league winners, Hapoel Netanya. Rishon led 10-0 at half-time but were unlucky not to win.

In the third game, ASA Jerusalem thrashed Hapoel Galil Elyon 39-0.
Tomorrow, an army squad will play Hapoel Galil Elyon at Kiryat Shmona Municipal Stadium in a match honoring the memory of Uri Azzal, a Galil player who was killed in action in Lebanon last year.

Villeneuve wins Formula 1 title

By TIMOTHY COLLINGS

JEREZ, Spain (Reuters) — Jacques Villeneuve landed his first world drivers' championship amid controversy yesterday when he survived a collision with title rival Michael Schumacher in their European Grand Prix showdown.

Finland's Mika Hakkinen won the race for McLaren ahead of his British team mate David Coulthard, but Villeneuve finished third to take the title by three points from Schumacher.

Canada's Villeneuve, son of Ferrari legend Gilles Villeneuve who was killed in qualifying for the 1982 Belgian Grand Prix, became the first driver to win the American Indy Car series and then the Formula One championship.

Schumacher, who did not finish, and Villeneuve were called to face stewards after the race following a 48th lap incident in which a rash move by the German cost him the championship.

However, the race stewards decided not to take action, saying in a statement they had "unanimously concluded it was a racing accident and no further action is necessary."

Williams driver Villeneuve was running second just three-tenths of a second behind Schumacher's Ferrari when he attempted to pass him on the 48th lap of the 69-lap contest.

As he plunged and late-braked on the inside at the tight right-hand Expo 92 corner at the Jerez track, he managed to force his car into the lead for the first time, except for the laps during pitstops.

But Schumacher, reacting late, appeared to turn deliberately to the right and into Villeneuve's car, causing a high-speed collision.
The incident echoed that in Adelaide in the 1994 Australian



CHAMPAGNE MOMENT — Jacques Villeneuve sprays the crowd with bubbly from the podium. (Reuters)

Grand Prix, when Schumacher — then also defending a one-point lead in the title race — collided with Briton Damon Hill's Williams and won the title in the most acrimonious circumstances.

Then, both cars were damaged and taken out of the race, but this time only Schumacher's Ferrari was unable to continue. His right front wheel rammed into the left sidepod on Villeneuve's car and then bounced away into a gravel trap.

Schumacher was unable to recover and Villeneuve, despite fearing his car had suffered serious damage to its suspension, managed to survive, recover his poise and drive on in the lead.

He stayed in front before easing off on the final lap, allowing the McLaren's of Hakkinen and Coulthard to pass him and take first and second places.

Hakkinen claimed his first Grand Prix win at the 96th attempt as he came home 1.654 seconds ahead of Coulthard, who in turn was only one-tenth of a second clear of Villeneuve.

"Either Michael had his eyes closed or his hands slipped on the steering wheel," said Villeneuve of the incident on lap 48.

"Winning the championship is really just fantastic and this was a tough, physical race. I thought I had a chance to pass him, but I was quite

a long way back and I think he was a little bit surprised."

"It was not even 50-50 when I made the move. Michael hit me really hard and I thought my car was broken. I knew Michael was capable of taking me off and he tried to do so. But I had decided it was better to finish in the gravel than to finish second so that is why I went for it."

"It has been such an up and down year but in the end we have got the job done. I am really pleased for the team, for everyone and, of course, for Canada," added Villeneuve.

For Schumacher and Ferrari, it meant a nightmare end to their dreams of securing a first drivers' title after 18 years.

Bransky, Swerdlow crowned lawn bowls singles champions

By NORMAN SPIRO

Cecil Bransky and Merle Swerdlow took the top honors in the annual national lawn bowls championships when they won the coveted singles titles at the Ramat Gan club on Saturday.

Bransky beat Haifa's Chaim Shefer 21-18 in a keenly contested game, where Shefer kept naggingly close and drew level at 18-all. In the following last head, Bransky with his last bowl, brilliantly drove the jack to the ditch, simultaneously moving Shefer's living bowl to the ditch for a three-out count and game.

The men's pairs final saw Israel's top stars in action. Jeff Rabin with Kalle Sacks at lead was up against Bransky skipping for 19-year-old Roy Jennings.

With Jennings giving excellent support, Bransky kept ahead throughout, and only a desperate superb trail of the jack by Rabin in the 19th head, in rapidly fading light, turned a four-down count to two shots for Rabin, to close the

gap to 20-19 and stay in the game.

In the final two ends completed the next morning, Bransky and Jennings settled the issue for a 23-19 win.

In an all Ra'anana men's fours final, Gordon Silberstein with Len Averbuch, Joe Goldberg and Ivan Kantor won for a second successive time when they beat Zachi Eckstein, Gerald Sacks, David Trappier and Zvi Bekier 23-14.

The triples crown was won by Jeff Rabin, skipping for his father, Harold, and Jeff Milstein against the Haifa trio of Shefer, Yossi Greenberg and Yair Lieberthal (25-7).

Merle Swerdlow added her first singles title to two previous Masters wins when she beat her Ra'anana club-mate Arlene Rubin 21-13.

Joyce Geiler (Netanya) repeated her 1992 pairs success when she skipped Dolores Lile to win 23-11 against Pinna Gelbiger and Ziva Iron (Sayvion).

Recently-arrived Lile showed her worth as a

former Durban Circle Club medal winner and Natal provincial bowler.

In the women's all-Ra'anana fours final, Molly Skudowitz a three times runner up in the 80s won her first fours title skipping for Sadie Band, Florie Cohen and Natalie Goldsmith. An all-round team effort saw Skudowitz's side come through to win 24-17 against Arlene Rubin, Hadassah Fisher, Denny Galland and Sylvia Machet.

Maureen Hirschowitz, Merle Swerdlow and Isobel Myers, Israel's international trio, outplayed the Kiryat Ono side of Maya Van Creveld, Miriam Cohen and Esti Yagov to the tune of 23-5, for the triples crown.

In the women's novices competition, Lorraine Couzin (Ramat Hasharon) beat Shula Sadeh 21-18, while in the men's novices, Haviv Tarkin (Sayvion) beat Simcha Sadeh 21-14.

In the men's seniors (over-65) Ra'anana's Julius Nickle came through in the last two heads to win 21-18 against Haifa's Chaim Katz.

Maccabi pounds Hap. J'lem 78-65

By ELI GRONER

Maccabi Tel Aviv passed perhaps its biggest test of the season beating Hapoel Jerusalem 78-65 in Ma'ha last night. The win propelled the undefeated Tel Avivians into first place in the league standings.

Rebounding was the key for the defending champions. Not only did Maccabi outplay Hapoel 39-19 in rebounds, they also pulled down as many boards under Hapoel's basket as the Jerusalemians did (15 offensive vs. 15 defensive rebounds).

Maccabi coach Vinko Jelovac said after the game that "defense was the key" and unlike in EuroLeague action, they clamped down and played stronger, more intense defense in the second half. Unusually, Jelovac's triumvirate of guards — Doron Sheffer, Derrick Sharp and Oded Katash — all played well in the same game. Sheffer and Sharp played strong all-round, while Katash — who apparently took recent criticism of selfish play to heart — led all scorers with 24 without forcing the action too much. The threesome totally dominated their opponents.

Hapoel's backcourt was ineffective; H Waldman, Adi Gordon and Doron Sheffer combined for only 24 points and didn't provide the hosts with a serious outside threat, enabling Maccabi's defense to collapse inside on Radisav Curcic.

Other results last night: Kiryat Motzkin 92, Maccabi Netanya 90 (OT); Galil Elyon 84, Bnei Herzliya 81; Maccabi Rishon 96, Maccabi Ra'anana 80; Hapoel Eilat 93, Hapoel Holon 83 and Givat Shimon 95, Maccabi Ramat Gan 86.

	W	L	Pct.
Maccabi Tel Aviv	10	2	.833
Bnei Herzliya	5	7	.417
Hapoel Eilat	5	7	.417
Maccabi Ra'anana	4	3	.571
Galil Elyon	4	2	.667
Fishon Lezion	4	2	.667
Kiryat Motzkin	3	4	.429
Hapoel Holon	2	6	.250
Maccabi Ramat Gan	2	6	.250
Givat Shimon	2	6	.250
Maccabi Netanya	0	8	.000

NFL

Yesterday's early games: Baltimore Ravens 17, New York Giants 14; Cincinnati 27, Philadelphia 13; Dallas 22, Denver 28; OT; Kansas City 28, St. Louis 26; San Francisco 23, New Orleans 10.

Sports Editors: Joe Horowitz & Ori Lewis

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DWELLINGS

Tel Aviv

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Jerusalem

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PURCHASE/SALES

Tel Aviv

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